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FRANCE, EUROPEAN ARMAMENTS POLICY VIEWED

Paris DEFENSE INTERARMEES in French Jan 80 pp 37-42

[Article by Marc Defourneaux, chief armaments engineer, presently assigned to the directorate of research, studies, and techniques of armament in the Ministry of Defense in Paris, after having been responsible for questions relating to international cooperation for 4 years: "France and European Armaments Policy"]

[Text] European unity--political, industrial, economic, or military--can be approached, a priori, along two opposite paths: unification from the top, and unification from the bottom.

Unification from the bottom is the pragmatic way. In its most basic version, it consists of taking problems one by one and, on each problem, to reach agreement among the countries two by two. It is a slow process, but in the long run it weaves among all the countries such a tight webbing of bilateral relations that it is practically the same as a single solid body.

Now one must realize that such an approach requires more accommodation to the status quo, that is to inequalities and asymmetries that inevitably exist between countries; some countries will already have a special role in certain areas, and some sub-groups will already have evolved to deal with particular problems.

But methodical souls find this approach to problems repugnant, doubtless because human nature prefers large, well-ordered organizations such as could be created by unification from the top; doubtless also because it prefers equality and symmetry; this is why it strives all the more relentlessly to impose these features on its intellectual constructions the more nature shows its inequality.

The comprehensive approach is difficult, and it is courageous to the degree that the chances of failure are increased. It was, however, successful in the Treaty of Rome, despite all the delays along the way and despite all the impediments to which it was subjected by those still profoundly anchored knee-jerk reactions of "every man for himself." We should congratulate

ourselves. But it ran aground 3 years earlier, in 1954, with the European Defense Community. Now with respect to armanents, no previous treaty had created between the signatory countries a contractual obligation to cooperate: neither the Treaty of Brussels, which had created the Western European Union and its Permanent Committee on Armaments, nor the North Atlantic Treaty, since it was not until 1974 that serious concern arose over the lack of armaments standardization with the Atlantic Alliance.

The Treaty of Rome noted this situation in Article 223, which states:

"Each member state may take measures it considers necessary for the protection of its essential security interests, and which have reference to the production or sale of arms, munitions, and war materiel."

Similarly, on the other side of the Atlantic, the "Buy America Act" created special rules for armaments (in marking up by 50 percent foreign parts involved in tender requests, compared to 6 to 12 percent on other products), and armaments became, throughout the alliance, a special reserve. Thus, whereas they gradually became large components of international commerce, their double character--at the same time both industrial products and instruments of defense--gave free rein to those protectionist instincts which were all the more highly developed with respect to extremely expensive, high-technology items.

A Fundamentally Socialist Economy"

The result, from all evidence, has not been satisfying, and T A Callaghan was completely right when, at the request of the Pentagon in 1974, he denounced the anarchic growth of armaments development within the Atlantic Alliance as responsible for useless expenditures and losses of operational efficiency(1).

Only, from this indisputable insight, the "Callaghan report" drew a conclusion which must be treated with more caution, that the remedy for all these ills was general standardization of armaments within the alliance. In fact, this proposal was debated at length. Thus, in response to American Secretary of Defense J Schlesinger, who in 1975 was promoting the idea, the French ministerial delegate for armaments, J L Delpech, observed that the operational efficiency of armaments resulted from their interoperability, and not necessarily from their standardization, especially in a group of such great geopolitical diversity as the Atlantic Alliance (2). These ideas were taken up in colloquium by the WEU [Western European Union] in March 1977 (3) and, even in the United States, another report (4) stressed that standardization ran the risks of engendering mediocrity through deficient imitation and of facilitating the adversary's countermeasures.

One of the fundamental ideas of this other report was the explicit characterization of standardization as "fundamentally socialist economy." This is an important point, which brings out well the total ambiguity of a market that wants to promote a system hailed as the basis of the effectiveness of the Warsaw Pact, while nevertheless in other respects defending the basic values of the Western world, that is to say, in particular, the market economy.

This ambiguity underlies, to some degree, the misunderstanding about what is called the "transatlantic dialog," intended to promote a flow of balanced exchanges of armaments between Europe and North America by means of a "two-way street," without any clear definition, however, as to whether the balance would be imposed by a governmental will or would simply result from the play of free competition, by means of the lifting of certain American protectionist measures. And this ambiguity also underlies misundertandings about the development of a "European armaments policy."

In Europe, we have in effect been watching for several years the attempt to create a centralized system, more or less attached to the EEC according to its supporters, which would earmark quantitative quotas for each country's production while establishing general rules of compensation for purchases between these countries, and which would "establish specifications for the military goods needed in a given period and would be the organism responsible for the coordination and distribution of tasks with the United States and Canada for everything connected with the acquisition of armaments" (5).

We thus see emerging again on the level of Europe the great principle of standardization, but for all that without any resolution of the spiny problem of the modalities of the community's choice of specifications and of goods to be used by all. But beyond this problem, the most troubling aspect of such projects is the institutionalization of the principle of compensation in the arms market.

Compensation

"Compensation" consists, for a buyer country, in paying for all or part of the goods or installations that it buys, not through the traditional means of payment in international trade--that is to say, money--but by barter against other products taken in exchange by the seller.

Thus the goods purchased have no relationship to the goods provided: so Krauss-Maffei, in RFA [West Germany] sold tanks to a Scandinavian country in exchange for furnishings (6) and Thomson/CSF, in France, sold radars to a country in the Mediterranean in exchange for raisins, which it then had to dispose of on the market.

But in the armaments field these are not typical cases, where compensation is most often practiced by conferring on the buyer country, in exchange for several samples of a complete unit (airplane, tank, etc...) production rights under a partial license for certain sub-systems in quantities greater than its own needs. These sub-systems are not bought by the seller, who incorporates them in the completed units destined not only for the buyer, but also for other clients, including the armed forces of its own country. Thus, for example, by means of compensatory tariffs established on a case by case basis, Spain and Belgium produce components of the French Mirage warplane destined for the entire world market.

As long as these compensations are determined case by case in the framework of the market economy, there is nothing to criticize, unless one deplores the rigidity they introduce in the trading from the fact of their bilateral

nature. But the problem takes on another dimension when these trade-offs become the contractual and obligatory means of conducting these transactions: we fall back to a "fundamentally socialist economy," which, in the beginning, was imposed on the Western countries in their trade with the countries of the East due to the fact that the currency of these countries was not convertible.

Now this sytem tends progressively to extend into the domain of all industrial exchanges, worldwide, even between countries with convertible currency. For this reason it begins to worry economists, because it represents a serious impediment to free trade which, for better or worse, remains all the same the doctrine of the West.

Its extension to arms transactions between the countries of the EEC should thus doubly upset the "Eurocrats." In effect, from the point of view of inter-European trade, trading tanks against furnishings or even radars against raisins is the lesser evil--since it does respect the international division of labor--by comparison with the method of trading airplanes against airplane components, or tanks against tank components. This latter method introduces a really considerable rigidity into the transactions, to the extent that matched with 100 percent compensation it would mean that each country would have to have a production capacity for airplanes and a production capacity for tanks exactly equal to its national requirements. And even if the method is softened by allowing compensation to be effectuated from one arms program to a different arms program, the system still assumes that each country has a total arms production capacity equal to its needs. And as such is not presently the case, the setting up of such a policy would mean:

--on the one hand, for countries presently importers of arms, on balance, an incentive to build up additional arms production capacity in a Europe which overall is already suffering from excess capacity in this area;

--on the other hand, for countries which presenlty are on balance exporters of arms, such as France, the obligation to reconvert its arms industry into other fields in which it had previously been a importer, for example machine tools--which goes completely against the international division of labor.

France in European Cooperation

To arrive at an equilibrium of the trade balances of all the countries in the world, the method of imposing an individual balance on each bilateral transaction, whatever it be, is obviously adequate, but only on condition that it is applied effectively to all countries and all of their transactions, which is a burden so heavy as to be a practical impossibility. And it would cease to be adequate whenever its application is restricted to one group of countries or ot one category of materials.

Nevertheless, there are Eurocrats who extol the institutionalization of such a system limited to 12 European countries in the alliance and to the very restricted category of materials known as armaments: thus, certain members of the economic committee of the Independent European Program Group (GEIP) demanded nothing less, in 1977, than the establishment of a system of auto0

of the economic committee of the Independent European Program Group (GEIP) demanded nothing less, in 1977, than the establishment of a system of automatic guaranteed 100 percent compensations on all arms programs of its members, and, to cap it all, free transfer of the corresponding technology.

But why limit this system just to arms? If the desired goal is to constrain for example Dassault or Aerospatiale in France to give up their position and their technology, why would one not want to constrain for example Philips or Siemens to do the same in the area of common electronics? And if one finds this generalization absurd, what sense is there in wanting to equalize the European arms industry, and it alone, by refusing to grant a certain country an export position in that field in exchange for its position as an importer in other sectors?

If arms sales within the alliance should come to the point where the developing country must assume the burden of the entire investment and all the risks in order to eke out a meager profit or even no profit if it is a success, taking into account the requirements of compensation, while suffering the loss alone if it fails,--what interest could the country have in such an operation? Even in strictly economic terms, is it not preferable for it to cooperate with its principal potential clients, or better yet, with its principal potential competitors, to share the investment and its risks?

Certainly, one can opine that the problem is not changed for all that, as one can always, theoretically, bring together 12 or 15 countries on all projects. But everyone, even in GEIP, agrees that this kind of formula is unrealistic.

Now this recognition of impracticability, is it not a recognition of the virtues of the pragmatic method which France has followed since 1959 and which consists in cooperating wherever possible with one, two, or three other countries on clearly defined projects, opting for effective action instead of beautiful intellectual constructions?

Everyone knows there is a country in Europe which is "egoistic, insular, and filled with an unjustified pride": it is, of course, France which was thus described in 1976 by the British Prime Minister Mr Harold Wilson, and it is good form to accuse [France of] all the sins of individualism of the Atlantic alliance.

But in 1959, this egoistic country launched with the FRG a joint project to produce the "Transall" cargo plane (a program in which the Italians also were to participate initially). The same year, this country filled with an unjustified pride won the NATO competition for a European maritime patrol airplane with its Breguet "Atlantic" airplane, which was subsequently produced in cooperation with other European countries. Then in 1963 and 1964, following the De Gaulle/Adenauer political accord, it launched three tactical missile programs with Germany: "Milan," "HOT," and "Roland," as well as a radar program, "RATAC." After which, this insular country in 1964 launched with the United Kingdom another missile program (the "Martel"), followed in

1965 by the "Jaguar" support aircraft program, then in 1967 by two light helicopters, the "Gazelle" and "Lynx." In 1970 it turned again to Germany to launch a signal transmission network, "RITA," then with Belgium and the Netherlands a program of minesweeping ships. After which it entered into the new game of multilateral cooperation by taking an active part in NATO studies of the feasibility of various projects, without renouncing for all that its bilateral or trilateral relationships, from which would emerge several years later a Franco-German anti-tank helicopter and various tactical missiles produced with the FRG and the United Kingdom.

But we are not talking just about cooperation in development or feasibility studies: let us add the coproductions, like that of the Puma helicopter and the Exocet missile, developed in France but coproduced with the United Kingdom.

So when one contemplates the above list and adds to its the Concorde and the Airbus, Franco-German cooperation in nuclear breeder reactors and cooperation with Belgium and Spain in the enrichment of uranium, not to speak of cooperation with Europe on satellites and their launchers, one can well ask what other country in the Atlantic Alliance can boast a list of prizes equal to that of France.

National Independence and Cooperation

There is nothing to criticize in the fact that a European country buys its arms from the United States, as long as it refrains from boasting itself to be more European than those which produce their arms in Europe, even on a national level. In the same way, there is nothing to criticize in the fact that organizations and meetings multiply in efforts to coordinate on armaments--as much on the European as on the Atlantic Alliance plane--as long as they don't act as if nothing existed before them. If the United States, by virtue of its power, its wealth, and the size of its internal market has only recently discovered the political and financial advantages of cooperation, France discovered them 20 years ago, and has put them to good use continuously ever since.

France's will to national independence translates into a reaction of rejecting integration in a centralized system, and this attitude frequently irritates its partners. This is understandable, but they should not forget that, despite certain incontestable hostilities, the normal expression of French national independence is not at all to do everything for itself, but to choose case by case the programs in which it will participate with other countries and the modalities of that cooperation. Now, this being the case, France has been the best architect of European cooperation in armaments, and no indictment of her intentions can efface the facts.

Must we rest on that? Must we reject any global approach to the problem? Of course not, and, despite the effectiveness of its methods, France has never rejected the principle of a united European policy on arms--indeed it has elsewhere extolled a united European policy in matters of agriculture, finance, the judicial system, and energy. France is part of the Atlantic

Alliance and the Western European Union, as it is a part of the EEC, and, if it has refused to join the Eurogroupe, it has adhered to the GEIP since its formation and participates actively in its work.

But "participation" does not always mean "submission."

And when, starting from principles one approves, one sees them lead to implementation schemes which one disapproves, it is normal to make ones arguments heard.

For 20 years, Europe's armaments have been those of Article 223 of the Treaty of Rome, produced out of laxity which gave free rein to national protectionism, following in this the example of the United States.

This policy has proven its inefficiency: this is indisputable, and Europeans as much as Americans today agree on this point. But when it has been agreed for 20 years, and supported by good arguments, that arms and arms alone could be produced by each nation exclusively in terms of its own discretion, is it reasonable to claim suddenly that arms and arms alone must be regulated henceforth by a supranational planning system, withdrawn from the arena of the international division of labor, and thrown into the arena of compensation?

This would be equivalent, in the agricultural domain, to a sudden decree, after 20 years of permitting the Netherlands to grow their own olives at any cost rather than importing them from Italy, that henceforth Italy can only sell to the Netherlands as many olives as it buys from others, allowing it if absolutely necessary to purchase green olives in exchange for black. Now is that good sense?

It is said that centralization is one of the keys to the military prowess of the Warsaw Pact: this is possible, but the Atlantic Alliance is not the Warsaw Pact, and solutions which are good for one are not necessarily good for the other. And it has in no way been proven that the Atlantic Alliance has more to gain than to lose in the establishment of a "fundamentally socialist economy" in armaments matters.

At a time when the WEU prepares to hold a new colloquium devoted to the definition of a European armaments policy, it is not useless to examine, therefore, the implications of the foolishness which has been extolled in this field in recent years.

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DESMARETS INTERVIEWED ON NATIONAL CIVIL DEFENSE

Brussels KNACK in Dutch 2 Jan 80 pp 26-29

[Interview with Minister of Defense Jose Desmarets by Frank de Moor and Frans Verleyen; date and place not given; passages enclosed in slantlines printed in italics]

> [Text] In October 1979 Brussels PSC [Social Christian Party] member Jose Desmarets (54) became minister of defense. Not entirely unexpectedly the great caid Paul Vanden Boeynants [VDB] himself chose him as his successor, after 7 fat years of heavy military purchases and modernizations. And although for the time being no more of those billions programs are on the stocks -- for VDB has literally bought the house full -- Jose Desmarets suddenly is an important member of the government anyway. However, he had to wait for a long time in Vanden Boeynants' wake to be allowed to become minister. During the Martens cabinet formation he was disappointed that he didn't receive the secretaryship for Brussels Affairs. The unexpected departure of VDB suddenly fixed that for him: Desmarets is vice prime minister now and is clearly enjoying it. His ideas and even his manner of speaking often resemble those of his predecessor. He too likes lapidary and short assertions which preferably simplify every problem to a great extent. But he has more personal culture: perhaps not without relief the generals are now facing a man who has read the Anabasis and Homer. About time, after all those years of a defense policy in which NATO, army and strategy were run like a gigantic middle class shop.

[Question] You have no experience with the army, you weren't even a member of the parliamentary committee for national defense.

Jose Desmarets: I was, however, on the committee for foreign affairs. For 8 years I was able to follow international aspects also from the point of

view of our military policy. For example, for about 6 years now I have been a member of the inter-parliamentary NATO assembly which brought me in contact with military problems twice a year for about a week. Last June I was in Oslo, where the problem of the European nuclear warheads was thoroughly discussed. Thus when I arrived in the cabinet here, I felt completely confident with that dossier.

It is true that the internal operation of the Belgian army is completely new to me. I hope that my youthful look on matters may have a renewing influence. For that matter, I enjoy organization, whether it concerns an army or a railroad.

[Question] In spite of all that, we have once again a Brussels Francophone administrating our defense.

Desmarets: I was born in Schaarbeek [Brussels district] but my father is of French origin. Surely Desmarets is a beautiful French family name. I spent my early years in Halle where my mother grew up and where my parents started a small pastry bakery. My mother spoke mostly Flemish; she descends from the Demaeght mayor's family of Halle. I went to grade school in the last French-speaking preparatory class with the brethren. Afterward I went to the Brussels Sint Jan Berchmans Jesuit secondary school. My parents had to make a financial effort to let me study, for they have had to earn their living until they were 70 years old. For that matter, my mother has a small retirement pension of only 9000 francs.

Later, when I started to study law in Louvain (and I studied politics and economics in addition), I was completely immersed in the Greek-Latin spirit. I read Homer and Sophocles easily, I actually spoke Latin, wrote Latin verses. . . I am a classicist, a literary temperament.

[Question] How did you become interested in politics?

Desmarets: I don't know that too well myself; it all started through my professional life. Or perhaps I inherited something from my father who during the war years was a stubborn resistance man and had me help him distribute the illegal paper DE VRIJSCHUTTER [the guerrilla], amongst others. He himself had cried with anger at the time of Chamberlain's negotiations and had always predicted that war would spring from that weakness. When the time had come, he risked his life with fake papers and stamps through which men were falsely registered as employees in some factories in the area. Thus they did not have to go to Germany. Thus I am from a patriotic family. My grandfather was shot by the Germans already in World War I. He left 10 children and a plundered house.

Therefore, as a young student, I went to Germany with the Patton army. Six weeks of training and then marching with the Americans. I was walking around with the Roman Law handbook in my battle dress. I wanted to be a good student. Also a good sportsman. I did complete a number of 800-meter runs on the track, although I never managed to do it in less than

2 minutes. Now they are doing it in around 1 minute 35 seconds, but in those times . . . I used to enjoy Montherlant who has written beautiful things about the Olympic Games. And I learned Dutch during exercises at the Louvain sports hall. In Halle, you see, I had learned only a miserable dialect; if you tried to speak good Dutch among the kids in the street, you were either a Flamingant or a bragger.

In 1948 I finished my studies and Robert Houben got me a position with the Administration for Economic Cooperation in the framework of the Marshall Plan. Later I became an apprentice of Gust Cool, also through Houben. Cool is a man I would still go through fire for. He has great insight, he is a master, the Francophones owe him a lot. What a chief! He placed me with the Christian Center of Metalworkers, where I became the head of the study service for 4 years, in the Bara Street. Afterward I became advisor of Gust Cool himself, who appointed me as general director of LA CITE in 1955. For 11 years I was in charge of that entire company in the Sand Street, including the editorial staff. At the paper I experienced the Congo period, the big winter strike and the language laws of 1963. I saw the problems grow there which are still troubling me today: the Walloon-Flemish conflict for which I cannot muster any real interest, the clashing of left and right. I am a full-blooded Christian democrat. I recognize that a /right/ and a /left/ exist, a brake and a motor in politics, but the decisions ultimately lie in the center. If tomorrow the Christian democratic party would no longer exist, I would leave politics on the spot.

Jacobin

[Question] You crossed over from the labor wing to the conservative CEPIC?

Desmarets: That's what they made of it, yes. Now I am carrying that label. I despise that .. . . I am a Jacobin, you know. I love the state. The state which listens and informs, but then cuts the knots. The worthy state. Or rather: the highest possible organizing unit. Europe, Atlantism, the world as it might be possible. What bothers me in the regionalist movement is the lack of respect for that higher level. I understand the movement, but don't feel at home in it. A regional Wallonia, what's that? Politicians today are being forced to become Girondists in order to still be able to play a role, but I find that painful. I am however in favor of small local government where that is necessary. In 1958 I became, with conviction, city councillor of Ukkel. I took the oath together with Irene Petry. But meanwhile I had married a Walloon-Brussels girl of German descent, the pianist Breuer. So you see . . . I, with my French roots, and my wife with her German ones: for us Europe could have a lot of meaning.. But Europe is not doing too well. It looks like the Greek towns after Pericles. One has to read about the Peloponnesian wars to understand our current situation. If our children do not make a formidable effort, Europe will be flattened. It is a threatened continent. With all those

Soviet submarines around Africa and the oil nations, our economy can stagnate within 6 weeks. Uranium for our nuclear plants also has to be imported and the petroleum from the North Sea does not mean too much. Just like the Romans, we must fear being surpassed by another empire.

[Question] The American one?

Desmarets: We did not have enough power to resist it; that will continue to be De Gaulle's historical error. Together with Adenauer he could have rebuilt Europe, also militarily. He could have been a new Charles V, but he stayed within the scope of his French nation. Thus he became a/fake great man./

[Question] Nevertheless, with all those grandiose ideas you can't overthrow the Brussels FDF [Francophone Democratic Front].

Desmarets: That is to be blamed on a few Flemish radicals. On the eve of every election we at the Brussels PSC think that the FDF is getting tired. But every time people show up to go and tear up some French posters in Overijse, and then the FDF wins again. The Flemings themselves are the ones who always let that party blossom up again. That does not simplify the political work for us. That is not so easy; to be a Brussels PSC member your father and mother must have been killed.

But all's well that ends well, everything will come to those who can wait. My last election slogan read: /one needs pluck to get out of difficult times. I have it./ Thus I am very immodest, as you see.

[Question] That was also clear from your reckless support of the development of nuclear missiles on our soil. You were a newcomer and you pleaded openly in favor.

Desmarets: As a young man I shed tears at the thought that Hannibal lost his campaign. /Victoria uti nescis/ And the most beautiful political text I have ever read is the conversation between Creon and Antigone: the king who explains to her that it is easier to die than to dirty one's hands if a decision has to be made on something serious. And sometimes I also think of my father's despair in the Chamberlain period.

[Question] That comparison is not right. No Hitler is stirring in Europe today.

Desmarets: I know that the comparison is exaggerated, but it is clear nevertheless that something is stirring in and around Europe. The war threat from the Middle East bloc is increasing. Moreover, the big Soviet neighbor, who hasn't yet forgotten its 20 million dead from World War II, is suffering from a beleaguering complex. Put yourself in their place: Iran in the South, China in the Southeast, Japan in the East and a modernly armed Europe in the West. I have good and sufficient contacts with the

Soviets to know that their SS-20 missiles are not aimed primarily at Europe, but at China. In one way or another we ought to be able to guarantee to them that we will not hit their SS-20 missiles with our modernized nuclear arms. That is the delicate point of the current European strategic situation. In even our smallest actions, the Soviets could suspect us of colluding with China. If they get that "Chinese guarantee," however, and they're left in peace from the East, the Soviets will continue to behave and will negotiate with NATO. They are able to calculate very coolly; sometimes we look naive to them. Therefore their "opening bid" to withdraw 20,000 troops and 1000 tanks from Eastern Europe is so low. Naturally they themselves know that this is strategic humbug.

[Question] Doesn't everything come down to the fact that the Americans are actually withdrawing from Europe, but want to keep their strategic power in and over our territory by owning the nuclear key?

Desmarets: You forget SALT II. This treaty stabilizes the equilibrium between the USSR and the United States and sanctuarizes both super powers. Never again will they enter into thermonuclear war with each other. Then why did they make the SS-20? Primarily against China, as I already said; only secondarily will they aim that weapon at Europe and as for the rest, they will keep their satellite states under control with their conventional police troops. Then what remains for us other than something on the order of a military Europe, after the missed chance for a complete individual defense system? That is our tragedy: Europe is never together when it is really necessary. And it is necessary, these days, in the face of the Arab energy challenge.

I admit that we are taking a risk with our cruise missiles. But we also have that 6 months /moratorium/ with which we can both force the Americans to finally ratify the SALT II treaty and the Soviets to develop a favorable prospect for SALT III. In May of next year [Minister of Foreign Affairs] Simonet and I will evaluate those prospects if we are still around. If they are good, we can adapt our decision with respect to development of nuclear arms. For that matter, I defended that honestly and in that manner at NATO, even if BSP [Belgian Socialist Party] Parliamentary Group Leader Tobback doesn't believe it.

[Question] Hadn't the decision been made already under your predecessor?

Desmarets: The Theater Nuclear Forces was not a VDB dossier. The Tindemans II Government let it slumber, just as the allies did. The problem all of a sudden surfaced sharply on 14 November in The Hague, where I was.

[Question] All right, but do you have opportunities for your own policy outside of that? Financially VDB has firmly nailed down your armed forces on enormous material expenditures for the coming years. Meanwhile

social frustrations prevail in the army, professionalization has been checked by the budget, and the military are demonstrating up to the neutral zone of the Wet Street. The money is going to hardware, not to the people.

Desmarets: I definitely want to unfold a /social/ program. But I am faced with the problem that the defense budget is hampered by a double straightjacket: zero growth/ minus/ the expenses for unemployment and public debt. Moreover I may never go beyond 6 percent of this hard budget limit. No other department whatsoever is suffering from such a double ceiling. I will have to see and manage with my thin envelope. The 300 billion in investment expenditures since 1972 -- and actually that is only 45 billion per year -- don't entitle the country to neglect the social side of military life. Just compare defense investments with shipbuilding, steel, unemployment: Zeebrugge alone will swallow between 100 and 150 billion, and not 46 as was originally projected. Therefore I understand the crisis of faith in the army. The airforce and navy are fairly-well, even well equipped. The army will also be, when it finally gets its new armored vehicles. But my brave soldiers, who form an authentic and eager /social corps/ recently have seen their attained rights preyed upon. As of 1 December many of them received a lower net salary than a month before, in spite of a cost-of-living adjustment which was coincidentally put into effect. You know of course that the adjustment of their wage scale was linked to a partial and optimistically temporary loss of their compensation for special military burdens. It had been fixed that way in July 1978 under Tindemans II. Right now I am putting as much pressure as possible on the Dekens committee to settle the financial problem of the military. That is necessary because I must also decrease the work period, as planned for the public sector, and I must not let professionalization come to a standstill. We are in an awkward position: recruitment of career volunteers is breaking down especially in the Flemish countryside, recruits are not trained adequately because of the short duration of their training, and therefore instructors lack motivation to put a lot of effort into people who disappear after 6 months.

Civilian Protection

[Question] More and more voices are also heard in favor of developing better civilian protection in case of war.

Desmarets: That is justified, of course. Merely professionalizing the army will not suffice, because modern military business is a profession in itself. The foundation for offering resistance in war indeed must be much /broader/ than the army alone, for any future conflict will be total. A future war will also impose the demand to let trains run, pump gas from one place to the other, keep the PTT [Post, Telegraph & Telephone] connections intact, keep the road network open. Otherwise my brigades won't even get to the FRG. When I look at the /Kriegsspiele/ [Wargames] it strikes me that they can collapse in all those areas. In Switzerland I

visited underground hospitals which can function optimally. But do you know that in Belgium an air raid shelter hasn't even been provided for the government?

[Question] You should take General Close into your cabinet.

Desmarets: Possibly I share some of his views, and thus also that of the permanent defense committee he is in charge of, but I am not an advocate of the longer military service proposed by Close. Moreover, the government ought to be able to spend some time on the report of the permanent defense committee. Then it will realize clearly that all departments must be integrated into the defense work.

[Question] Won't it be diverted once again by new purchasing dossiers? Although it is not a question of gigantic contracts, the Howitzers and battle helicopters will have to be replaced again shortly. And the Nike missiles could be succeeded by the Patriots.

Desmarets: I know that you have a tendency to emphasize the time-consuming relations with the military-industrial lobbies. But I am not dependent on anyone. And do please write down that the Belgian department of defense has said "no" to the /Awacs/. I was rapped on the knuckles for that by NATO, because only Belgium refused its participation in that system.

Paint and Brush

[Question] You didn't have 3.5 billion francs left to do that.

Desmarets: Indeed, nothing can be done any longer. But I don't blame the lobbies for trying: ultimately that is the democratic game. For that matter, it doesn't happen at Defense alone. Just see how much effort the intelligence sector is making in order to get a foot in the door in various administrations.

[Question] Under your predecessor a considerable number of high officers' appointments were disputed. And such an appointment is directly connected with the approachableness for lobbies. Flemish companies can supply more easily if they deal with a Flemish general.

Desmarets: Among the 40 generals, I have exactly 20 Flemish-speaking ones and just as many French-speaking ones today. Actually, during an office year that ratio can fluctuate a little in either direction because the law doesn't mention the point of time at which the 50/50 division has to occur.

[Question] While you have to bring billions to industry, the paint is falling down from the walls in your sleeping barracks. That is frustrating to the military personnel.

Desmarets: That is a question not only of money, but also of mentality. I made a tour through the army, together with my wife. I determined that our female military personnel were able to settle themselves neatly and colorfully with a little tablecloth on the table and dolls on their beds. In the same building the male soldiers' rooms were sometimes sad to behold. Thus it is not only a matter of budget, but also a psychological one. I am certainly prepared to spend something to supply the soldiers with a can of paint and a brush. Idleness is the root of vice, anyway.

[Question] In the most important part of this discussion you give the impression that war is getting closer. Also, remarkably many Christmas messages from the pope as well as from political world leaders sounded rather somber. Must we indeed start to live in a more war-conscious manner in this period of economic world crisis?

Desmarets: It is a fact that not everywhere progress prevails. For the first time since the Vienna congress the established rule of the inviolability of embassies is being questioned. In Iran, hostages are taken state by state. The Israeli problem is not being solved. The West feels unsure about the position of Saudi Arabia. There is the Chinese factor. Perhaps we just happen to be in an unfavorable period.

[Question] Do you receive objective reports on that? Or do Western politicians have to work intuitively with respect to peace policy?

Desmarets: Of course we get reports, for that matter in close association with Foreign Affairs. But we still cannot do much more than timely recognizing areas of political tension.

[Question] Might one of the possibilities be that Western armies one day will have to occupy Arab oil wells?

Desmarets: If the Arab countries were to rob the West of its energy unfairly, it could be that ultimately no other choice would be left. It is not unthinkable, but of course we must learn to relativize. Ten years ago we knew hardly anything about the energy possibilities in the North Sea or Mexico. We knew nothing of the new finds in Venezuela . . . I very much like to believe in happy coincidence.

8700
CSO: 3105

POSSIBILITIES FOR PARTICIPATION IN TRADE EMBARGO

Few Possibilities

Hamburg DER SPIEGEL in German 21 Jan 80 pp 19-20

[Article: "Misconceptions"]

[Text] Bonn can see few possibilities of participating in a trade embargo against the Soviets.

Visits to London and Rome left Deputy Secretary of State Warren Christopher highly satisfied. The European allies, the American emmissary exulted last Tuesday, would cooperate fully in carrying out Washington's economic sanctions against the Soviet Union.

But at his next stop in Bonn the Washington ambassador's joy went flying out the window.

To be sure, Chancellor Helmut Schmidt and Foreign Minister Hans Dietrich Genscher assured the visitor of the solidarity of the German people. But when it came time to talk about exactly how the FRG--Moscow's biggest trade partner in the West with a volume of DM 13 billion in 1979--might apply economic thumb screws to the Soviets for invading Afghanistan, the Germans had to pass.

At a closed-door session of the cabinet last Wednesday the Chancellor himself issued the following marching orders: Solidarity with Washington, but at the same time, honoring of trade agreements.

Deputy Assistant Secretary Richard Cooper, who accompanied Christopher, had spent hours trying to convince his German counterpart Hans Lautenschlaeger at the Foreign Ministry in Bonn of the American position--to little avail. The main point Cooper made was that the Federal Government should publicly declare that it will no longer underwrite business deals between German firms and Soviet state trading companies by issuing financial guarantees. The Americans had come to the banks of the Rhine with wrong information. As distinct from Washington and Paris, Bonn does not issue tax-related, low-interest credit for trade with the East.

It is merely the political risk factor which is offset by a type of government insurance known as the Hermes guarantee--as it is in the case of trade with other countries as well.

So far, at any rate, the Soviets have turned out to be reliable trading partners. The Federal Government has not had to make good on its guarantee commitments in a single business deal with the Soviet Union. Quite the contrary: The Soviet account in the Hermes ledger is in the black.

The Federal Government could of course stop underwriting trade with the East by way of Hermes guarantees, the Washington visitors were told, and this would increase the risks for German business firms. But Schmidt's experts also informed the Americans of the serious consequences such a policy might have.

The 25-year German-Soviet treaty of cooperation, concluded by Chancellor Schmidt and Soviet chief of state Brezhnev last May, also deals with East-West trade financing arrangements.

Under Article 5, the Federal Government entered the obligation to bend every effort to increase Soviet trade by way of financial guarantees. To stop issuing guarantees, the Germans warned, would constitute a treaty violation which would escalate the situation to a point not desired by the American President, either. After all, Washington will be promptly delivering the 8 million tons of wheat which had been ordered under existing valid trade agreements.

At the cabinet meeting the Chancellor resorted to even plainer language. Those present agreed that a violation of the treaty might have unpleasant consequences for the security of the FRG which, for all that, is guaranteed by agreements with the Soviet Union and the GDR--up to and including Soviet interference with the Berlin access routes.

The visitors were equally unsuccessful in their efforts to line up Bonn support for the second U.S. plan for an economic blockade which was to cut off exports of advanced Western technology to the Soviet Union.

Cooper told those he met with in Bonn that Washington is presently working on a list of goods Carter would like to see included in an embargo against the Soviet Union. Once this process is concluded, the Americans want to hold talks with their allies about which of these goods should be part of the boycott list prepared by NATO's Coordinating Committee for East-West Trade Policy.

This is the NATO list of goods considered strategically important which should therefore not be exported. The list was first drawn up during the Cold War in 1949.

The Chancellor promised to join in all sanctions agreed upon by the Coordinating Committee. But that means next to nothing because the French, members of the committee and, at the same time, outspoken foes of any trade embargo, would also have to agree.

And even if NATO were to dig out its old list again, the German economy would suffer precious little harm. Machinery of all kinds, the German export hit, would not be subject to restrictions.

And just to make sure, the Bonn government had the Americans give it to them in writing last week that electronic control equipment for any such machines would not be blacklisted, either. The visitors put their German partners at ease by saying that only highly advanced computer technology would be included.

When the Christopher visit was over late last week, German East-West traders heaved a sigh of relief: Unless affairs escalate dramatically to the point of a joint Western trade war against the East, German exporters will once more have escaped serious, long-lasting harm.

Just the same--the imbroglio involving Washington and Moscow will not leave FRG exporters entirely unscathed. As it happens, the rift between between East and West began to open up at the very point when all sorts of high hopes were sprouting.

Last year, the Soviet Union achieved a surplus in her trade with the FRG for the first time. Her exports to Germany brought in a surplus of DM 600 million, mainly in increased prices for natural gas and raw materials. The extra foreign exchange would have provided an excellent basis for a substantial expansion of trade.

It may be assumed, however, that these hopes have been dashed as a result of the invasion of Afghanistan.

Bankers' Views

Hamburg Die ZEIT in German 18 Jan 80 p 20

[Article by Rudolf Herlt: "Fear of Escalation--German Banks: No Sanctions Without Legal Basis"]

[Text] The banking community in the FRG expects new American pressures to be brought against the Federal Government within the next few days. Following the Soviet veto in the Security Council which blocked a resolution calling for economic sanctions against Iran, Washington is nonetheless trying to get its allies to join in economic measures directed against the Khomeini regime. For this purpose, Deputy Secretary of State Warren Christopher is visiting several European capitals again.

In view of the two-thirds majority for the General Assembly resolution calling on the Soviets to withdraw from Afghanistan, banking circles also consider it likely that the Americans will be trying to encourage their allies to impose economic sanctions against the Soviet Union.

But Bonn neither has the legal leverage, nor the political intent to turn the German banks into handmaidens of American foreign policy. At times, this foreign policy tends to overreact in an election year anyway. Thus, the Federal Government can do little else but try to make the top echelons of German business appreciate the position in which it finds itself.

German business representatives got a first taste of this on 28 December 1979. Warren Christopher had just asked the Federal Government to secure the German banking community's support in the American controversy with Iran. Guenter Obert, who was holding the fort during the Christmas holidays, promptly called a meeting of German business leaders at the Finance Ministry to inform them of the American requests.

The commercial and savings banks of Germany should informally take the pledge to adopt the following three measures. They should

-- no longer accept DM deposits from Iran;

-- cut down on monetary transactions with Iran by not issuing letters of credit unless 100 percent coverage is provided;

-- make payment for oil deliveries in dollars only.

The bank representatives' reaction differed according to their own particular interests. The savings banks and regional banks which have almost no dealings with Iran would have been prepared to meet the government halfway. Their proposal would have been for the Federal Bank to act the part of an honest broker between the banks and the government who would pass on specific information, e.g., that Iranian debtors were unable to meet their obligations or that Iranian creditors were suddenly depositing large sums in German accounts.

The savings banks did not wish to leave the government out in the cold vis-a-vis the United States, even if there was no legal basis for carrying out the three measures. Savings bank president Helmut Geiger therefore expressed surprise at the fact that the Federal Bank had not even been invited to the Obert meeting. But Geiger never had a chance to put the savings bank proposals forward. Harald Kuehnen, chairman of the association of privately-owned banks, let it be known that these banks had no intention of playing along in the absence of appropriate legal provisions. The foreign trade law, which provides the sole legal basis for limiting trade with foreign countries, does not contain the provisions required for extending the kind of assistance for which the Americans have asked. Its scope would have to be widened. In the absence of a law, the Obert meeting

concluded, the banks showed little inclination to enter an obligation in support of sanctions.

Their position, the private bankers point out, should be no means be construed as an expression of ill will or as a lack of understanding for the government. Their reticence is based on the fear that their participation in sanctions for which there is no clear legal basis might have a negative effect on other sectors of business. In their view, all operations taking place in the grey area between business and politics are fraught with danger.

Still, they have not made up their mind completely as yet. But, bankers are quick to point out that they put the interests of their bank first unless there is a law requiring them to do otherwise. Suppose a bank has a claim it cannot collect against an Iranian debtor. It is unlikely that the bank will refuse to accept deposits from Iran which it could then use to credit against the claims it has. Within banking conglomerates deposits would be transferred to those institutions which have outstanding claims which in turn could be credited--even if litigations might arise as a consequence. Other institutions with insufficient deposits to meet unpaid claims would meet with general disbelief, "if they didn't hold their hand to grab all the deposits they could get."

Furthermore, the Luxembourg branches of German banks are not part of any such considerations. The authorities in Luxembourg have not confronted their banks with any unchaste propositions. Money transactions continue along normal lines there.

To be sure, there are no Eurobanks extending spectacular Eurocredits to east bloc countries at present. Even an already agreed upon credit to the GDR for $150 million was scaled down to $100 million when it turned out to be difficult to find the necessary financiers. But, as opposed to the extension of such credits, neither the FRG banks, nor those on the Euromarket have refused to finance trade with the East bloc. It is in this field, the banks fear, that the Americans will apply new political pressures.

As long as the means needed to carry on trade with the East bloc keep flowing, the weapon the Soviet Union might use in retaliation against sanctions remains rather blunt, e.g., that East European debtors refuse to pay interest due or to repay Euroloans. Since the communist countries are interested in importing Western technology and in having these imports financed, they will think twice before retaliating along these lines, a Eurobanker said. But he can see the apocalyptic handwriting on the wall: "If the Soviets are pushed into a corner and then decide not to pay interest on East bloc Euroloans or not to repay them at all, then the pillars of the Western financial system would really begin to shake." After all, the East bloc is in debt to the West to the tune of $50 to $52 billion.

9478
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USSR SEEN TRYING TO SEPARATE EUROPE FROM AMERICA

DW061108 Frankfurt FRANKFURTER ALLGEMEINE in German 6 Feb 80 p 1 DW

[Article signed RM.: "Who Is Sound?"]

[Text] When in the past year the Western alliance at last became aware of the danger the hidden intensification of the Soviet medium-range missile capabilities constitutes, Moscow sought to prevent the West from letting this realization be followed by deeds. Soviet emissaries swarmed out, trying to work on the politicians in the European NATO countries. They threatened, flattered and above all tried to sow discord.

Now, following the invasion of Afghanistan, it is similar. It is in the vital interest of the West to act, and Moscow is once again using its energy to spread discord in the West. This is not done secretly. The Soviet Union makes no bones about the way it wants the Western camp to be divided. It talks about "sound-thinking forces," above all in Western Europe, aiming at the separation of Europe from America. In Europe Moscow sees sound forces above all in the Federal Republic, holding out to Bonn the old promise of a special relationship with the powerful Soviet Union, which has already impressed many a politician here. At the same time England is supposed to see itself punished--not by God, but by no less a man than Brezhnev. However, the Soviets also want to dig a trench in the Federal Republic, namely between the sound and the right quarters, the latter in their view including the foreign minister. The purpose: Genscher is supposed to fear that part of his party might see him alined with the opposition and might punish him for it. Schmidt is to bear in mind that the same may happen to him.

Such machinations require much self-confidence. Must not the Politburo itself find its plan adventurous to win popularity by bestowing the attribute "sound," which was, for instance, given Husak in Prague in 1968, who will probably never recover from it? What does Brezhnev expect to get by paying tribute now to Moscow's support for the puppet regime of Heng Samrin in Kampuchea and by denouncing his cruel predecessor Pol Pot at a time when there is growing suspicion of Soviet mass shooting of civilians in Afghanistan? We do not know. But we see that the Soviet Union no longer considers it appropriate to show regard and be cautious. It is being presumptuous, as if it already dominated the world.

CSO: 3103

BADEN-WUERTTEMBERG FDP CONGRESS REJECTS ELECTORAL PACTS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Jan 80 p 4

[Article by Friedrich Karl Fromme: "How Open Is the FDP to the 'Shotgun Sharpshooters'?"]

[Text] No Statement on Coalition in Stuttgart

When Rentschler, the delegate from the Black Forest, stepped to the speaker's platform expectant good humor became widespread among the approximately 400 delegates to the Baden-Wuerttemberg FDP Land Party Congress. The latter bears the tradition-rich but somewhat faded name of "Three Kings' Congress." That is a survival from the previous century when representatives of the different liberal camps were wont to foregather in Stuttgart. There was a revival of this after 1945 when there were three southwest German Laender (which were combined in 1952 into Baden-Wuerttemberg) and when accordingly there were three Land princes in the FDP/DVP as the party continues to be called down there. The calendric reference is to the "Three Kings' Day"--6 January--and, besides, the FDP is attracted by the idea of getting resonance in the news-poor New Year's period with a simple Land party congress. The Land chairman and Land congress section chairman Morlok (Karlsruhe) said as much when he remarked at a social evening that no matter how modern and young and progressive the FDP may be it would not give up the old Three Kings' meeting.

But the meeting did not turn out to be such a simple Land party congress. This was not only because the German federal chairman Genscher and the honorary chairman Scheel were present at the social portion of the meeting and because Genscher on Sunday in the course of a public announcement made a speech which under present circumstances attracted special attention since it was a speech of the German foreign minister. The strange character of this Land party congress was also brought out by that same delegate Rentschler with a terseness which concealed nothing and which produced a mixture of uneasiness and gratification. Rentschler said: "Let us assume that its absolute majority is lost by the CDU (which must defend its absolute majority on 16 March in Baden-Wuerttemberg during the Land congress elections and which carries the burden of an almost 57-percent electoral

decision from 4 years ago). What shall we do then?" Rentschler's answer was: "Then we'll detach the CDU, if necessary with the help of the "greens" if they were to come into the Landtag." But that means: a government under Eppler's leadership (SPD). And such a statement was not in accord with the will of the party leadership and also not in accord with the will of the party congress.

The Augures whispered not unreasonably that chairman Genscher not only considered it right to avoid a "coalition declaration" but considered the outcome to be so certain that he remained aloof from the actual party congress. The nonresolution of a coalition declaration obtained, so to speak, an extremely broad majority. But that leaves behind the question as to what the party (and that means for the moment the party congress and later on its less easily identified affiliates) meant thereby. To keep an open position and then join with the SPD, as Rentschler gave us to understand?

But the difficulties began even earlier. Until recently the FDP, all the way up to the Bonn leadership, has declared it a right of the electorate to know before an election who the FDP would like to form a coalition with. That was also declared to be a prerequisite for success which in the southwest (after starting at more than 20 percent) has in the interim "normalized" to the FDP customary figure of 7.8 percent. In other words the expression "keep open" should if possible be avoided. The chairman Morlok and his deputy Roesch (Schwenningen) were indefatigable in saying that the call for an election, with its seven declared issues and which the party congress had voted for with a few less significant changes, was exactly the opposite of "keeping open." They declared that the FDP would vote its will in this matter, would bring it to the public, and would place its hopes in the "broad liberal potential" in Baden-Wuerttemberg "which must once again become liberal" and that people would see after the elections just who would cooperate under the prevailing circumstances in accomplishing this program. They said that "open" was certainly not to be understood in the sense of indefinite, wishy-washy, indecisive, only covetous of a share in government. In fact one delegate referred to the "open" position as "devastating."

Those who clung to the seven points were precisely the people who also this time wanted a linkup in Baden-Wuerttemberg with the SPD. Among the speakers in the discussion at the party congress that was the majority view. But there was withdrawal of a resolution introduced by the district association [Bezirksverband] of Middle Neckar which had been supported by Neunhoeffer, the former Young Democratic functionary and present professor at a technical advanced school, who wanted to exclude coalition with the CDU. A motion by Young Democrats containing a declaration favoring coalition with the SPD was rejected by a large majority. Those who thought and also frequently stated that after the tabled coalition declaration there would have been only a coalition with the SPD could point to the fact that six of the seven points would be realizable only with the SPD: more comprehensive schools [Gesamtschulen]; "progressive" legal policy; emphasis upon environmental protection as well as upon class actions; energy policy in the

direction away from nuclear energy; no further investigation of civil service applicants with regard to their fidelity to the constitution; no restraints from Stuttgart upon the federal government in the federal parliament [Bundesrat].

Against the 'Majority-Fat' of the CDU

But then there were also the others (the strength of particular groups cannot be read off from the tactically determined votes of the party congress) who draw this line: keep open--and then coalition with the CDU. Those who thought this way had little flattery for the CDU; if it were to become a question of power principles they would be rather loose. One motion excited merriment: it was to have the word "nonnegotiable" prefixed to "requirements" replaced by "indispensable." The obvious counterquestion was proposed: whether "indispensable" might be dispensed with. One motion by the Hohenlohen people who openly professed their preference for the CDU fell before shattering rejection; not even the Remstal people or the Upper Swabians who have endured the progressivist period in the Land FDP with gnashing of teeth but also with contempt for those who have deserted the party ("just because they wanted to be somebodies") and who think that they are now emerging from this period, found it opportune to let this cat out of the bag. The old-time liberal Hermann Mueller, former finance minister, spoke of the fact that the FDP certainly could not announce with regard to a party ruling with absolute plurality that it wanted to take away this plurality but then rule with that party. That is certainly what the FDP has repeatedly announced and done: in Hesse when the SPD lost its absolute majority there and likewise in Hamburg in 1974 the SPD still made that announcement in Bremen for the election in October of last year.

What the leadership would like to do was to be inferred from Morlok's speech. Repeatedly the talk was of "majority-fat" which would have to be taken from a CDU which "misuses its majority" and has interpreted it as "a mandate to take over the state." But Morlok didn't say a word about any need to detach the CDU as the leading government party. For Eppler's SPD and also for the CDU there were such pejorative remarks as: "tendency to obstruct its own federal government"; "a policy that always 'knows best.'" Whether the leadership (supposing that the assumption is correct that it would prefer a CDU/FDP coalition for Stuttgart) could carry that out remains to be seen. One thing is certain, that the FDP would look upon a coalition declaration for the CDU with favor to the same extent as the CDU under Spaeth would look upon it with horror. It was Spaeth who at the party congress was called "the shotgun sharpshooter" and "peterling (Swabian for parsley) in everybody's soup." But an agreement to coalition for the CDU could not possibly be carried out at the party congress. Whether that would be only because of Strauss, for whose chancellor candidacy Spaeth is said to have worked so hard, is another question. But the switches, which many FDP politicians look upon as already in position, are still far off. It will always still be possible to change them while the train is several kilometers away.

A comfort in the midst of discomfort for the FDP at that Three Kings' meeting was the fact that the discussion could be looked upon as a little abstract; old-time liberals appreciated that just as much as Young Democrats. That the CDU will lose votes on 16 March is accepted as almost certain; that it will lose its absolute majority is considered improbable. Thus abandonment of a coalition declaration had an air of the academic. But quite unacademically practical was the fear of the greens, "this simmering movement pressing up from below" as one delegate said. Morlok, too, was whistling in the dark of the "green" woods; next weekend at the green founders' congress in Karlsruhe it will become apparent that there, too, the cooking is being done with the usual party water. One delegate said that it was already certain that the greens would come into parliament--whether the FDP would, too, he considered uncertain. Despite such defeatism on the eve, the FDP team was happy in the consciousness that things had gone well with the nondeclaration of coalition. Many old-time liberals thought that now the return to the good old days had begun, including the days (the Kueng case, an unexpected reproach to the CDU, gave occasion for this) when there was anticlerical strong language a la Reinhold Maier. The phantoms of Maier and Heuss had looked down upon the party folk from the curtain behind the party congress presidium; they were a little skeptical, a little cautionary.

8008
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ONLY GREEN VOTE COULD GIVE SPD VICTORY IN SAARLAND VOTE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Jan 80 p 8

[Article by Eckhart Kauntz: "Trying a Slightly Different FDP"]

[Text] After the Elections in the Saar the Coalition With the CDU Is Expected To Continue

Saarbruecken, January. Six months after his entrance into office and a good 100 days before the Landtag elections the Saar's Minister President Zeyer can show confidence. Since the decision taken at the FDP party congress on 2 December with a two-thirds majority in favor of a declaration of coalition with the CDU, it would take a political earthquake in the Saar to impair a continuation beyond the end of the closing legislative period of the CDU-FDP coalition which has been in existence since 1 March 1977. Only an FDP drop below the 5-percent mark in the elections on 27 April or a "green surprise" offers the Saar's Social Democrats, as things now stand, a chance of obtaining under their front candidate Lafontaine an absolute majority in the new Landtag.

The FDP Land chairman and Minister of Industry Klumpp is optimistic; he has to be. The danger of a withdrawal of his party from the state parliament he considers to be small. Ten years ago the FDP in the Saar had dispensed with a declaration of policy; it came to grief on the 5-percent clause. Now the FDP has told the voter what its future course shall be and the party will be successful says Klumpp. To be sure, suggests the FDP politician, a slight manifestation of existential "Angst" would be very good for the party. In that way the party would be able to strengthen the vacillating voters.

For the Minister President Zeyer the coalition declaration of the FDP on 2 December was "the most significant event" since his election on 5 July. He prophesies that the FDP will clearly exceed the 5-percent mark. But many of the Saar's Christian Democrats look with mixed feelings upon such expectations for Klumpp who dreams of the renaissance of a party which adheres to the FDP tradition of the fifties expects, with a certain justification, support from the electorate of the CDU.

The rivals competing for the same breed of voters profit jointly, however, from everything which, in addition to fears of military conflict, determines the expectations of many with respect to the eighties. The oil shock has strengthened the Saar's awareness of being a coal state. This also helps the government. In the past year 2,800 persons have been newly employed in the Saar mines. There is no longer any talk of short-term work. The shipment capability of 9.9 million tons of Saar coal in 1979 is expected by 1990 to be increased to 15 million tons per year. This was announced at the end of the year by Lenhartz, the chairman of the board of Saarbergwerke AG [Saar Mining Company, Inc]. The government politicians gladly echo him.

The government accompanies its optimism with regard to the future role of coal as an energy source with declarations regarding an "option for the use of a high-temperature reactor" in enriching coal into a liquid fuel. It is true that the supply of process-heat from nuclear fuel will certainly not be available during the next 15 years because the technical questions have not yet been solved. But the clear "yes" of the state government to nuclear energy, which is necessary if jobs are to be secure, attaches to the Saar's SPD--which has here fallen far behind the resolutions of the national party congress [Bundesparteitag] in the beginning of December--the reputation of being a party which is prepared to gamble the chances of Saar coal.

In comparison with other German Laender, in the Saar industrial questions play a very special role in the electoral struggle. This is a consequence of the crisis in the steel economy which has existed since the middle of the seventies and which in spite of forced planting of new factories has allowed unemployment to rise at times to 8 percent, the highest rate of all the German Laender. Therefore the population of the Saar will probably look upon the plan for a "high technology facility for coal enrichment" (which as early as the second half of the eighties would be able to liquify 2 million tons of coal a year) rather as an assurance of jobs rather than as a pollution of the environment. The program for recapturing international competitive strength includes plans for a joint raw steel production in the Saar foundries of Dillingen as well as the erection of a central coke plant with the Saar mines participating. Abandonment of monostructure with simultaneous conservation of the mining core [Montankern] is the motto of the Saarbruecken government. Cautiousness is nowadays the characteristic of Minister President Zeyer who since the death of his predecessor Roeder has not been precisely pampered with advance payment laurels. This characteristic may also explain the fact that the chief of government has postponed the cabinet reshuffling expected for December and is now going into the electoral battle with the team which he took over from Roeder. It is his declared intention to tighten up the state government after the election. Whatever that may mean, Zeyer's determination to have change is being made clear to the public. Thus any emerging dissatisfaction with the somewhat antiquated cabinet could be toned down.

After the deliberations of the Polish agreements in the German Federal Council at the beginning of 1976 Saarbruecken again shifted to a marginal position in the consciousness of the public, consistently with the geopolitical position of the state of smallest area in the German Federal Republic. But it is not only within the state that the elections of 27 April will decide on the continuation of a coalition unique in the German Federal Republic which in accordance with the desire of Zeyer will be a league lasting for the decade. The test market of the Saar in which many a merchandiser has had the sales potentialities of his products tested will also provide an indication of whether the FDP can not only maintain itself as a partner of the CDU but also perhaps can gain new firm voters--namely the old ones which are occupying the thoughts of chairman Klumpp.

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CDU'S KOEPPLER SEES HOPE FOR PARTY IN NORTH RHINE-WESTPHALIA VOTE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 16 Jan 80 p 5

[Article by "L.B.": "Koeppler: Good Chances. Before the Landtag Elections--Optimism in the Duesseldorf CDU"]

[Text] Duesseldorf, 15 Jan--Some 4 months before the Landtag elections in North Rhine-Westphalia, which are to take place on 11 May, the CDU opposition leader Koeppler, who is running as a candidate for the office of minister president in Duesseldorf for the third time, has expressed marked optimism about the chances of his party. It is true that on Tuesday Koeppler was not willing to disclose any precise figures from poll results which are known to both the CDU and the SPD. But he did say that since December the CDU has enjoyed a rising popularity in the minds of the voters. He said that the CDU is approximately even with the SPD in terms of the potential votor attitude toward it in this Land. Social Democratic Minister President Rau, who replaced his predecessor Kuehn in mid-1978, still is not scoring any extra dividends among the voting public from being an incumbent, according to Koeppler. But, he said, the CDU has to "step up the pace a little more in winning the endorsement of the people" if it wants to gain the absolute majority. At the last Landtag elections in 1975, the CDU had won 47.1 percent in North Rhine-Westphalia. This was its second-best outcome since the establishment of this Land.

Koeppler openly admits that the CDU could benefit from the candidacy of a "Green Party." He said that this can be demonstrated purely in terms of electoral mathematics--if such a "green party" were to win between three and four percent of the votes, which are automatically lost under the 5-percent clause. Charges by the SPD that in North Rhine-Westphalia the CDU is secretly cooperating on strategy with the "greens" to take over from the government coalition of the SPD and FDP were described by Koeppler as being nonsense and foolishness. He said that this is not only a miserable way for the SPD to conduct its election campaign, but also an indication of its nervousness. It is quite well known, he said, that the energy policy of the Federal Government, which aims at a combination of coal and nuclear power, is given support in North Rhine-Westphalia only by the CDU, not by the Rau administration.

On the contrary, he said, Rau reveals his "quite provincial narrow-mindedness" when he says that this Federal Land does not need more nuclear energy because there is enough coal in this region. He said that Federal economics minister Lambsdorff quite properly pointed to the seriousness of the situation following his trip through the oil-producing countries of the Near East. Koeppler posed the question of what would happen if today a CDU political figure were to endorse the thesis of Lambsdorff that "we will be walking along the edge of the abyss in the next 10 years."

According to Koeppler, North Rhine-Westphalia of all places, as the industrial and energy-producing heartland of the Federal Republic, is very poorly prepared for the challenges of the 1980's. The Young Socialists in this Land are likely to again scoff at not only the energy policy but also the defense and security policy of the Federal Government, unless SPD Land Chairman and Minister President Rau firmly calls them to reason, he said.

From the CDU point of view, aside from the energy policy the themes of the Landtag election campaign will be above all the educational policy and the general state of the government and the coalition in Duesseldorf under Rau. In Koeppler's opinion, the chances of a "Green Party" in North Rhine-Westphalia cannot be precisely calculated by any means. "After all, only just now are they coming off the starting blocks." With the SPD, he said, it seems that if anything a certain defeatism vis-a-vis the "greens" can be discerned. In contrast to this, Koeppler is of the opinion that the "greens" would gain less in North Rhine-Westphalia than in other sections of the Federal Republic. This, he said, is linked also to the way of thinking of the working people in the Ruhr area, who will not let the future security of their jobs be jeopardized by a professedly ecological policy which dispenses with any quantitative and qualitative growth.

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FDP PRESENTS ELECTION PLATFORM FOR PARTY DEBATE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 16 Jan 80 p 5

[Article by "my": "A Party 'Which Wants to Keep on Governing'"]

[Text] Bonn, 15 Jan--The FDP does not want to offer the voters any "cornucopia" of promises at the Bundestag elections, but rather to frankly explain to them that living conditions in the 1980's, which most probably will be altering, necessitate more personal responsibility, the curtailing of expectations, and even personal sacrifices. It is along these lines, as FDP Secretary General Verheugen said on Tuesday in Bonn, that its election platform, 80 pages long, is framed. This platform had been adopted by the party executive committee after a 7-hour debate on Monday evening, and it is now to be made available to the 83,000 party members. Then it will be decided at the party election convention in June in Freiburg with what declarations the FDP will finally confront the public. Verheugen said when he presented the platform to Bonn journalists that despite the fact that the challenge of the near future is still largely unknown, the FDP does not intend to sow pessimism. Indeed, it continues to place its hopes in technological progress, he said.

The election platform, under the motto "Freedom and Responsibility," is divided into the four major topics of foreign policy, safeguarding freedom within the State, further correlating measures in the area of environment, economy, and energy, and finally social and welfare policy. According to Verheugen, it leaves out any "self-admiration" on the part of the FDP. It is, he said, the program of "a governing party which also wants to continue governing." Of course, the draft of the platform does not as yet contain any statements about a coalition--as usual. This is to be made only at the Freiburg party convention. It will presumably be formulated under conditions similar to those in 1976, said Verheugen. According to these, the FDP will advocate forming a government with the SPD, but with the emphasis placed on the chancellorship of Helmut Schmidt.

According to the statement made by Verheugen, in its election platform and also in the entire conduct of the election campaign, the FDP wants to concentrate especially on certain groups of the population, above all

on the middle class, on young voters, and on women. The party, Verheugen says, will make special efforts in the northern areas, because it is assumed that despite protestations to the contrary by the Union, in these areas there are large portions of the potential CDU constituency which do not approve of Strauss. For this "northern offensive," the FDP wants to win over as many personalities in public and cultural life as possible who are not already firmly committed to any parties.

In the preamble to the program, it is said that in the future, worldwide battles over the apportionment of energy and raw materials are possible, and one cannot even rule out threats to world peace. It is in terms of this outlook that the Free Democrats postulate their responsibility "for a life lived in freedom and human dignity." But, it is said, freedom is no license "for unbridled liberty to do or not do just as one pleases." Rather, it demands "a voluntary commitment to the rights and the welfare of the other." It says that individual or social happiness must not be "portioned out," and: "The conservatives who hinder progress and the utopian socialists who offer progress as a substitute for religion have something in common: They address themselves to collectives, and they ignore freedom, self-determination, and self-responsibility on the part of the individual."

According to Verheugen, what this program has to offer has not been changed by the current events in the world political arena. However, the party's national executive committee has affixed to the proposal for a nonagression agreement between NATO and the Warsaw Pact the rider that this pact must apply "to the use of force anywhere in the world."

In the section "More Freedom-Less Government" in the draft of the program, there is the demand, among others, for more comanagement in the workplace--among other ways through a better protection of minorities. Every citizen, it says, should have the right to inspect the records kept by the bureaucracy. And there has been a further expansion in the list of those measures which should be removed once again by legislation--since in the opinion of the FDP these laws have been unnecessarily sharpened in some places in the wake of the fight against terrorism.

As for economic policy, the FDP is championing the cause above all of the smaller and relatively middle-sized businesses. It rejects a direct government control over investments, wants to support the removal of subsidies, and endorses a consistent market economy. In this platform draft, the expansion of nature conservation is seen as a part of an effective environmental policy. On the subject of the energy supply, the party's national executive committee has replaced the curt formulation of the original proposal by the resolution in full of the Bremen party convention, which boils down to an "option," even though severely restricted, for nuclear energy to satisfy any residual demand.

LAMBSDORFF, SAUDI ARABIANS DISCUSS JOINT VENTURES, OIL

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Jan 80 p 9

[Article by Klaus Broichhausen: "Lambsdorff Appeals to Riad Concerning Oil Deliveries"]

[Text] Saudi Arabians Ready for Closer Cooperation. Joint Steel Plant as Prototype

Riad, 6 January. German federal minister of economics, Count Lambsdorff, on Sunday in Riad before the German-Saudi Arabian Economic Commission appealed to the oil-supplying states to provide the industrial states with sufficient oil at reasonable prices in order to assure smooth adaptation to a more rational energy consumption and to new energy technologies. Lambsdorff expressed his understanding of oil price increases and of the need for a more cautious process of supplying oil which would stretch reserves. However, in his view there would be danger in an oil strategy which cut energy so sharply as to threaten the structure of the world economy. Lambsdorff expressly thanked the Saudi Arabian government for a price and quantity policy based upon responsibility for the general economic welfare.

Together with the Saudi Arabian minister of finance and economics, Sheikh Abalkhail, Lambsdorff, supported by the representatives of German industry present in Riad, affirmed that German-Saudi Arabian cooperation should be strengthened. It is of special importance to the Saudis that German firms which hitherto have primarily been involved in building up infrastructure should participate increasingly in industrialization through joint enterprises. A prototype example of such participation is a steel plant which is to be erected in Jubail with investments of about 1 billion DM. Participants in this steel plant will be not only the Saudic Basic Industries Corporation (SABIC) and the Korf Company, Inc, as announced last spring but also the German Development Association (DEG) which is a financing institute created by the German federal government for the Third World. In this connection it has now been learned in Riad that Korf and the DEG will each sign for DM 40 million of corporate capital for the steel plant. The state company SABIC had attached importance not only to the technology and management of Korf but also desired a definite German participation as a sign of especially close cooperation.

Also during the session of the commission the German oil industry through 8 January will be striving for direct long-term supply contracts with Saudi Arabia as an additional supply guarantee for the eighties. That would probably be scarcely possible without some reciprocal services. These are being offered by the Veba with proposals for joint oil processing in Saudi Arabia. However, the Saudis appear to be less open to this than previously. Another unanswered question is also whether Deminex, the German joint enterprise for petroleum exploration, will obtain drilling rights? Since 1968 Saudi Arabia has given out no more licenses.

Lambsdorff will sign an agreement aimed at deepening technical-scientific cooperation. The German Consulting-Branche is striving to better the attention accorded to it as compared with the American consulting enterprises. German-Saudi Arabian cooperation is rendered difficult by the fact that Saudi Arabians are making increasing use of Anglo-Saxon and American standards. However, the government in Riad has declared itself to be ready to undertake coordination with the German Institute for Standards. Also obstructive and costly in their effect upon mutual economic intercourse are administrative and administrative-legal difficulties which should be eliminated.

8008
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NEED SEEN FOR SPENDING MORE ON BUNDESWEHR

DW011238 Frankfurt FRANKFURTER ALLGEMEINE in German 1 Feb 80 p 3 DW

[Article by Karl Feldmayer: "The Bundeswehr Debate in Bonn: More Wishful Thinking Than Analysis"]

[Text] Should the Federal Republic step up its defense effort? This is the question that people in Bonn have been asking themselves ever since they have been thinking about the consequences of the Soviet invasion of Afghanistan. Utterances to this end are not made in the opposition alone. The foreign minister, too, has hinted at corresponding considerations--by which he placed himself strikingly at odds with the rest of the cabinet members who, like the chancellor, remain silent.

So far all remarks on this topic have had one thing in common; they are vague. Intensification of the defense effort--this may mean a lot, and it is legitimate that the government reacts to pertinent inquiries with the counterquestion as to what really is meant; quite a few things are within the realm of possibility. In the event the federal government this year intensifies its military aid to Turkey which it has been granting within the framework of NATO since 1964--and this is exactly what is being prepared--then this, according to the criteria of the alliance, involves an increase in the defense spending. The same would hold true for the increase in the pay for soldiers or retirement annuities for retired soldiers, because such expenditures, too, are recognized as defense expenditures just like the expenditures of the Federal Republic for the allied armed forces stationed here.

But this is not what matters. The considerations are centering on the Bundeswehr. It is to be put into a better financial position than it is in now. Some politicians also have an increase in its personnel strength of 495,000 men in mind.

The demand on the federal government to allot more funds this year than the DM37.7 billion under the defense budget adopted in December had been raised even prior to the beginning of the crisis following the events in the Middle East. Thus the demand exists independent of that crisis. However, now the demand appears to be harder to reject than it may have been before. If we assume an inflation rate of 5 percent for this year, then

the defense budget would have to be upped by about DM2 billion to obtain the increase rate of a real 3 percent which the chancellor himself promised to the NATO allies. For this reason alone it is surprising that Defense Minister Apel this week--notably on the very same day when U.S. Secretary of Defense Brown once again called on the federal government in public to live up to its promise--said that he will not ask for any additional funds for the defense council. The only exception is to be the funds for fuels. When the federal government submits its supplementary budget in February or March it is to include DM2.0 million to cover the additional costs arising for the Bundeswehr from the higher prices for oil products in general and fuel oil and gasoline in particular.

Apel's waiver misjudges the requirements of the Bundeswehr. The contention that extra funds cannot be sensibly incorporated into the defense budget on short notice also does not hold water. In reality, additional funds would be very welcome in all three service branches--and not only to insure covering requirements for fuel oil and gasoline. There is also an urgent need in ammunition. The amount allocated for that purpose has increased in the past several years, yet the price increase rates in this field are much greater; this is particularly true for the ammunition for the modern weapons systems. In the defense ministry, where internally people have already made concrete considerations for the event of an improvement, an additional DM250 million could be immediately earmarked without any trouble for ammunition purchases, another DM500 million--and if need be even more--for military procurements and DM50 million for projects in the field of research and development of weapons systems. In the field of the infrastruction, DM100 million would also be indicated.

It is a completely different matter, however, to increase the size of the Bundeswehr which has a ceiling of 500,000 men in accordance with an agreement with the allies. Strauss, the union parties' candidate for chancellor, noted after all that for him the size of the armed forces and the duration of compulsory military service--15 months at present--are not a taboo when safeguarding peace is at stake. Foreign Minister Genscher hurriedly announced that he considers the statement by the CSU chairman "most interesting." Strauss said the Bundeswehr ought to take over tasks in Central Europe that so far have been taken care of by the allies, if they would be prepared to protect the sea routes and thus the supply of raw materials. Genscher said he considers it a suitable "basis for constructive talks between the government and the opposition."

That was in mid-January. In the meantime the pleading has died down that the Bundeswehr ought to take over additional tasks in Central Europe--and that it therefore should grow. One of the reasons could be the fact that the politicians have become more aware of the problems of that issue, although taking over tasks of the allies in Central Europe has been mentioned only in a general way. The idea was that the German army in an emergency could replace the American divisions stationed at present in the Federal Republic, if they should be needed somewhere else.

What would be the consequences? The most important consequence would no doubt be the curtailment of the American presence in Germany. In doing this the most important threshold for every aggressor would be mitigated, the fact namely that from the very first shot he would be at war with the army of the nuclear power America. A withdrawn American corps therefore could be replaced by a German corps, if at all, only with regard to its conventional combat strength but not with regard to psychological deterrence, say vis-a-vis the Soviet Union. In addition, there would be the internal problem of the alliance. The balance of forces would be upset in the European NATO if the Bundeswehr became the by far superior conventional force of the alliance--an event that would have consequences that would be hard to predict in view of the political tension and the obvious tiredness of the alliance with regard to some of its partners.

Another problem would probably be the approach of the populace in the Federal Republic. It has been living so far under the pleasant assumption that peace has become more safeguarded, that detente has become irreversible through confidence, building measures and arms control, in short that the Soviet Union has become a partner with partially different interests, but that on the whole it was set on cooperation just like our own country.

If the necessity should be seen now to increase the Bundeswehr, the impulse could not come from Bonn. It would have to come from the NATO partners. The federal government would have to disclose to its own populace that it has arrived at an important new assessment of Soviet policy. It is no secret that this is about the last thing which the coalition is prepared to do--for internal party reasons, for domestic and foreign policy reasons. Although it is becoming more and more obvious that no partner is available at present for the continuation of the current policy, neither in Washington nor in Moscow, the federal government continues to try to give the impression that the political situation has not significantly changed for the Federal Republic. Is wishful thinking supposed to replace analysis? The word that no alternative exists to detente policy is gaining a dangerous meaning for Bonn.

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LONG-RANGE ENERGY PROBLEMS, SOLUTIONS ANALYZED

Hamburg DER SPIEGEL in German 21 Jan 80 pp 21-24

[Excerpt] Since the chancellor could not help fearing that even in the execution of this order [to draft a study on future energy needs], his free-democrat economics minister would pay stricter attention to the observance of free-market principles than to the effectiveness of crisis measures, he urged Lambsdorff to show "as much impartiality as possible."

Schmidt: "We ought to clearly formulate goals, even if they do not seem achievable for the time being. We should also not rule out approaches to solutions just because they are not in line with or do not fully correspond to our present philosophy."

Lambsdorff followed this instruction--at least in his analysis. As a prelude to the election year, he presented a 33-page scenario the other day to high officials of the foreign ministry and of the ministries of finance, defense, and research, which proved to be so gloomy, down to the last economic and political detail, that it surpasses all the alarming visions of the chancellor.

It will be quite difficult--assuming that the confidential draft is not made less drastic in the cabinet for reasons of election campaign tactics--for the Federal Government to be able to continue placating the public in the future with its relativity therapy to the effect that things are bad for everyone, but somewhat better for the citizens of the FRG.

A specimen of Lambsdorff's text: "To be on the safe side, a policy which is conscious of its responsibilities and which is intent on making provisions for the future must proceed from this pessimistic assessment of the situation."

This situation: Even under the assumption of very low rates of growth (2.2 percent worldwide on the average for the period from 1975 to 2030), the world's energy consumption will double by the year 2000 and will

even increase threefold by the year 2030. There is left for the industrial countries in this connection only an average growth of 1.7 percent up to the turn of the century--something which would be "indefensibly low, politically speaking" for the 1980's.

Over against this demand there is a meager supply: If the energy consumption rises annually by only 3 percent, the reserves of oil will last another 23 years, of gas 32 years, and of coal 63 years. Even if there were a worldwide boom in nuclear reactor construction, electricity from atomic energy does not necessarily offer a way out of the crisis. Without reprocessing and without fast breeders, the currently known reserves of uranium may no longer fully satisfy the demand by the turn of the century even.

In order to be prepared for this breeder strategy, the Lambsdorff study continues, the FRG must have an industrial-scale reprocessing system "in the second half of the 1990's at the latest"--a goal which it will be difficult to realize in view of the conflict concerning Gorleben.

The economics ministry also does not expect any help from the so-called alternative energies (water, sun, wind, biomass): It will not be possible to raise their 10-percent share in world consumption, in its opinion.

Such gloomy prospects are supplemented by alarming predictions about prices. In the years following the first oil crisis, oil prices declined in real-value terms, from 1975 to 1978 by 4 percent per year. On the other hand, from 1980 on there will be sustained real price increases, so that the oil exporting countries "will be able to succeed in getting a lasting transfer of purchasing power in their favor." The consequence for the industrial countries: "Growth and employment will decline, for some countries even dramatically."

When the battle for scarce and expensive oil becomes more and more severe, new fronts will arise. Referring to in-house information of the Organization for Economic Cooperation and Development (OECD), the International Energy Agency (IEA), and the American secret service, the CIA, the economic experts predict that in only 5 years the Eastern Bloc will turn from being an oil exporter to being an importer. As early as in 1990, the CEMA nations will supposedly have to import over 100 million tons of oil and "will thereby contribute considerably to the tightening of the world oil market."

The Soviet Union, which at the present time still receives half of its foreign exchange from oil sales, has already had to revise its current 5-year plan and cut back on its production target for 1980 by 34 million tons, to 606 million tons. If the Soviets buy more oil, so concludes the Lambsdorff analysis, the position of the OPEC states will inevitably

be strengthened even more. The politicization of the oil business "will continue to grow" and the "weapon of oil can be applied more selectively and subtly."

Lambsdorff's experts regard extortionate policies of all kinds as possible: From political good conduct--"practically as a basis for doing business"--down to specific commitments to take deliveries of petrochemical products, which according to the plans of the sheiks are to be produced with Western know-how directly at the oil wells in the future, and no longer in the consumer countries.

The Bonn economists doubt whether the much-invoked solidarity of the Western industrial countries will withstand such a pressure. Rather, a race to conclude bilateral delivery agreements will probably commence soon, because "the temptation is very great to go it alone as a nation, with the aim of gaining a privileged treatment by the oil-supplying countries."

Such special treatments, chides the Lambsdorff paper, would impede the further progress of European integration and would endanger the cohesion of the EEC. Yet paradoxically enough the study recommends that Lambsdorff--as well as other Federal ministers--should not refrain from journeys into the Persian Gulf states. To be sure, it says, care should be taken to avoid the impression that "we are concerned exclusively with German supply interests."

As frank and unsparing as the analysis of the energy situation turned out to be, it was with little enthusiasm that the economics minister complied with the second wish of the chancellor, to elaborate proposals on how the FRG can react to this energy emergency.

For example, Lambsdorff has yet to even answer at all Schmidt's question on what options Bonn has for skimming off by taxation some of those fortuitous gains ("windfall profits") of the oil companies which arise from the sale of oil extracted in the FRG and sold at prices comparable to those from the East.

And faced with the order to investigate the role of ordinances and prohibitions in connection with energy conservation "both in the longer run and also in case of crisis" (Schmidt), the free-market economist took refuge in platitudes: "Enlightenment of the public," he said, ranks before compulsion.

Lambsdorff's doctrine: "The impossibility of predicting future developments precisely enough and the uncertainty about the overall economic effects of individual measures thus argue perhaps against the quick results which State intervention promises and in favor of a policy of greater staying power."

In the opinion of the Lambsdorff officials, speed is called for elsewhere:

Domestically, "an effective policy of finding replacements for oil" must put an end at long last to the troublesome debate over atomic energy, by "pushing through the construction of nuclear power plants."

In foreign policy, measures are necessary, as a defense against aggressions from Moscow, which aim "at an economic and social stabilization" of Turkey, Pakistan, Iran, North Yemen, and the Sultanate of Oman. "Measures by NATO south of the Tropic of Cancer--especially for the protection of the oil fronts--could be looked into."

Already at the first ministerial discussion of the Lambsdorff paper this week in the economic cabinet, social democratic ministers intend to lodge a protest against these recommendations, which in their opinion are turning out to be too friendly to the business sector. Instead of this, the old social-democratic list of measures is to be brought out once more. This list, which has been successfully blocked for months by Lambsdorff with the support of the chancellor, extends from fines to large enterprises which squander their waste heat, down to speed limit provisions.

Finally, it is said that the FRG has also clearly missed the self-imposed goal of the industrial states to consume 5 percent less oil in 1979. Statistics from the IEA of 4 December 1979, which were on hand at the first discussion of the Lambsdorff paper, show that the FRG was even in excess of the planned figure by 1.2 percent.

A social-democratic cabinet member: "When wars threaten, what is necessary cannot be declared to be taboo."

12114
CSO: 3103

DEPENDENCE ON SOVIET NATURAL GAS EXAMINED

Hamburg DIE ZEIT in German 18 Jan 80 p 20

[Article by Heinz-Guenter Kemmer: "The Hand at the Gas Tap"]

[Text] The American president appears to be determined to hit hard in waging economic war on the Soviet Union, and in all the capitals of the West, his envoys are trying to commit the allies to an equally unequivocal attitude. "Even under the most favorable circumstances, we will not soon resume normal trade relations with the Soviet Union," Jimmy Carter stated in Washington.

Are the gentlemen in the Kremlin going to retaliate by using the weapons of economic warfare available to them? Aside from restricting their petroleum deliveries or the export of scarce metals, they could in response to the grain embargo cut the natural gas exports that were started in 1973. Thus the newspaper report headlined "Less Soviet Gas for Finland" alarmed many a homeowner who had switched to the supposedly secure natural gas. Is the battle for Afghanistan going to be fought in German living rooms as well?

It should be pointed out, however, that what is happening to the Fins--a curtailment of the daily gas supply--is an almost everyday occurrence. Breakdowns are possible in the international gas network and what is happening here is probably a technical snag, not a refusal to deliver. The Federal Republic, too, has not always received the contractually agreed-upon volume of gas. But the Essen Ruhrgas AG [Ruhrgas, Inc.], the only German enterprise that imports natural gas from the Soviet Union, praises the zeal with which the Russians once repaired a pipeline defect in Czechoslovakia.

Thus the report that BP [Gasoline and Petroleum, Inc.] boss Hellmuth Buddenberg has been conducting negotiations concerning the purchase of Russian gas is more characteristic of the situation than is the report concerning the disruption of deliveries to Finland. After all, the Soviet Union is the country with the largest proven and presumed natural gas reserves in the world--36 percent of the proven reserves of a total of approximately 71 billion cubic meters are located in the Soviet Union. The Russians have sufficient gas for meeting their own demand, for supplying

their satellites and for supplying the West in return for foreign exchange.

To be sure, no one expects economic reasons to lead to a gas shut-off. And that such a shut-off could be used as a political weapon is considered highly unlikely in the German gas industry. This belief is based primarily on the Russians' proverbial contract loyalty. And observers call to mind that in 1941 trains with Russian goods were still rolling into the former German Reich after German troops had already crossed the Russian border. So the Russians are not likely to risk losing their good name.

As important as the contract loyalty is another fact: In the west, the pipeline system that connects Europe with Siberia ends in France. Great opposition had to be overcome for the pipeline to be laid out along such a course: Ruhrgas has always considered it an additional security factor that the gas exported to France and Italy is piped through the Federal Republic.

If the Russians now shut off the gas for the Federal Republic, they would hit France--a country that has adopted a very differentiated attitude vis-a-vis the American sanctions. With slight exaggeration, one could say: The Russians would risk losing their last friend in the West. Moreover, the Russians would risk closing future marketing outlets and leaving at least partially unused a pipeline network built at great cost.

Nevertheless, one cannot rule out the possibility that in the event of an escalation of reciprocal sanctions the Russians may commit a breach of contract, shut off the gas and then stop the oil shipments as well. In view of this possibility, there arises the question whether and how the Federal Republic could cope with this situation.

Last year, we imported from the Soviet Union a total of 10 billion cubic meters of gas, 3.6 million tons of crude oil and 5 million tons of petroleum products, i.e. the equivalent of 5 percent of the total energy consumption of the Federal Republic. The FRG would definitely be able to cope with the loss of such a volume; however, one must not overlook the fact that the supply situation--which is tense anyhow--would be further aggravated.

In regard to gas alone, however, the picture is different. Last year, Russian gas accounted for 16 percent of the FRG's total consumption: Domestic production accounted for 35 percent; imports from Holland, for 37 percent, and the Norwegian North Sea oil, for 12 percent.

Should the Russian gas be shut off all of a sudden, one thing will definitely not be possible: The loss cannot be compensated by production increases in the other supply areas. However, of great importance will be the time at which the gas deliveries are discontinued. If this happens in the summer, there will not be any problems, for at that time consumption is low anyway. Thus in the 2nd quarter of 1978, Ruhrgas sales amounted to a mere

three-quarters, and in the 3rd quarter, to two-thirds of the volume sold in each of the two winter quarters. In the winter, on the other hand, an embargo would hurt--the gas suppliers would have to "disconnect" some of the consumers. In this regard, the gas industry proceeds from the assumption that the households and other small consumers that consume just under 30 percent of the total volume will not be affected, if only because they have no alternatives.

In industry, on the other hand, there are enterprises that are designed to use two types of energy and thus are not entirely dependent on natural gas. They obtain their gas within the framework of so-called suspendable contracts; they are used to having their supply discontinued at times of peak load, during which they burn oil. This applies above all to the production of electric energy. Although in this sector an output of 4,250 megawatts is produced exclusively by means of natural gas, power plants with a total capacity of 10,150 megawatts can in addition to natural gas burn oil or coal; in many cases, all three energy sources can be used.

Any replacement of natural gas is contingent upon a sufficient additional supply of oil or coal. However, it is more likely that substitution will not be necessary at all: Should economic war break out between East and West, in the course of which natural gas is turned off, the demand for energy will be declining as well. "If that happens," said a representative of the gas industry, "we will be just a piece of mosaic in a very gloomy picture."

However, the share of Soviet gas deliveries will be reduced, even if there is no shut-off in Moscow. To be sure, the contracts, which extend beyond the turn of the millennium, stipulate an eventual increase from 10 to a maximum of 12 billion cubic meters per year; but it is likely that in 1983 another country, Algeria, will join the suppliers. And in view of the latest optimistic reports from Norway, it is safe to assume that the gas flow from the north will be increasing.

8760
CSO: 3103

OLYMPIC GAMES BOYCOTT SUGGESTION PROVOKES PRESS COMMENT

Stockholm SVENSKA DAGBLADET in Swedish 15 Jan 80 p 2

[Article: "Finnish Press on Crisis in Afghanistan"]

[Text] Alarm in Finland over the Soviet invasion of Afghanistan has naturally enough been greater than in other European countries. Finland is the only country that has an agreement with the Soviet Union similar to that the Soviet Union has with the invaded country -- a friendship and assistance pact. One cannot fail to notice that the people of Finland feel themselves severely pressed and worried in the new world situation, writes HUFVUDSTADSBLADET (independent):

"Leaving aside the fact that the Soviet-Afghan friendship pact cannot be compared with our friendship pact, Afghanistan's independent position has gradually been destroyed ever since the 1978 coup.

"Finland's guiding principles in tense situations of this kind have been two. The first, which expresses our national interests, is found in the preamble to the friendship and assistance pact, which speaks of Finland's efforts to keep out of differences of interest among the great powers. This will probably be the guiding line now as well.

"However, the other important principle is that we consistently oppose solution of international political problems by means of force. In this is included intervention in the life of other states, no matter how they are explained. This, as well, should be apparent in our motives."

Neutrality the Guiding Principle

Foreign policy expert Max Jacobson deals in SUOMEN KUVALEHRI (independent) with Finland's position in the present world crisis:

"The pact between Finland and the Soviet Union is as a matter of fact of the same name, but of different content from that between the Soviet Union and Afghanistan. In the difficult terrain of international politics we should guard against orienting ourselves by means of emotional symbols and superficial comparisons.

"Finland's position as an independent neutral state is a part of the stabilized European system the maintenance of which has been the guiding principle of Soviet policy after World War II. Nothing indicates that in this respect Soviet policy has been changed or is about to be changed.

"Finland is today the object of exceptionally great international interest. This is because when in the West the need for strengthening defense is to be justified one no longer, as was the case during the time of the cold war, speaks of the communist danger, but of the "geopolitical" danger threatening from the Soviet Union.

And in this connection, Finland is pointed to as a warning example of a country that must adjust to the political will of its superior neighbor. In other words, the danger of "Finlandization" has replaced the danger of communism in the Western countries.

Different Matters

Prof Osmo Apunen writes in DEMARI (socialist) that the Soviet Union is threatened by the Western actions caused by the oil crisis and by the growing unrest in the Islamic world:

"Now we come to Finland's interests. Their content depend upon how we view the matter. From the point of view of a small state an intervention should be condemned on principle -- military interference in the affairs of another state. But if we consider it a matter of conflicts of interest among the great powers we should decide to stay aloof.

"However, if we adhere to the logic of the friendship pact, as required by our own and general interest, we cannot bury ourselves in the attitudes of the 1930's. One must see and realize that the Soviet intervention in Afghanistan is not a consequence of the friendship pact but of circumstances. Thus Finland and Afghanistan are different matters."

Strange-seeming

Has the Soviet Union decided to throw detente overboard and give up a terror balance with the United States based on agreements? HELSINGIN SANOMAT wonders:

"Criticism and gestures do not efface what has happened. They increase tensions and force the Soviet Union more resolutely than heretofore to proceed on the road taken. Something is now needed that will give the great powers an apportunity to calm down without losing prestige.

"Interfering in the internal affairs of another country is in principle a serious matter. Even Finland's Foreign Affairs ministry makes it apparent in its statement that it regards the situation in Afghanistan as not normal and in conformity to the desires of the international community. It therefore seems strange that Finland together with the other Nordic

countries did not ask for a meeting of the Security Council to deal with Afghanistan."

Confirm the Role

There is still surely cause to recollect the word relaxation though the world is in turmoil, writes ILTA-SANOMAT (independent.):

"We should gradually learn to talk with the new generation in the large countries before it is too late.

"The country that grasps this in time takes from us the rights of the ESSK [expansion unknown], so why should we not confirm our role now, while President Kekkonen's authority is still at our disposal.

"As long as the views of the president, now approaching his 80th year, are fresher than those of the foreign minister, born after World War II (1946), that hope seems slight."

Deep Anxiety

Communist KANSAN UUTISET notes that the people of Finland longer than any other people lived in an intoxication of optimism after the ESSK meeting. Now has come an awakening to merciless reality and the people feel deep anxiety:

"In the present situation one can draw only one conclusion: All that can be done must be done to stop a devastating development and to find new ways of negotiating solutions to problems that truly look frightful. The past weeks have shown that it is easy to destroy good opportunities. It is immensely difficult to get a positive process started.

"In this respect universal opinion is a decisive force. Today, it can be misled in many ways by modern information techniques. A common will among all peoples can, however, prevent a slide toward catastrophe. Advancing this opinion forcefully enough is the only guarantee for turning developments in a positive direction."

11,256
CSO: 3109

CP POLITBURO ENTERS DEBATE OVER AFGHANISTAN

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 16 Jan 80 p 6

[Article by "W.A.": "Unclear Position of the Finnish CP"]

[Text] Stockholm, 15 Jan--The Politburo of the Finnish Communist Party (FCP), after at first a curious silence, has managed to take a position on the events in Afghanistan which, despite a belated approval of the Soviet invasion, is not free of ambiguities. Worthy of note is the fact that this crisis-like development is attributed first and foremost to "certain events" in Iran, and "especially to the hostage-taking with regard to the American embassy personnel in Tehran, contrary to the principle of international law." Having ensued from that, says the Politburo, was a "smear campaign against socialism and communism" on the part of "fanatical Islamic circles" whom the United States and the "other imperialist forces" had "joined" with the goal of preventing a "peaceful and democratic change" in Afghanistan. Moreover, it says that this alleged conspiracy has also been joined by the People's Republic of China, so that against this background the Soviet "help" can be viewed as supporting "the right to self-determination of the Afghan people."

However, the top echelon of the FCP, which forms a part of the Helsinki government, does not content itself in its commentary merely with establishing something like a conspiratorial link between the American President Carter and the Ayatollah Khomeyni in Iran. On the contrary, at the same time it places great importance on the assessment that the right must be reserved to "the Afghan people alone" to decide on the "internal development" in their country and their relations to other nations. The Finnish Communist Party leaders then turn to the "new situation of the cold war" and invoke the necessity of a "detente," which it is imperative to extend also, and above all, to the military sphere.

12114
CSO: 3103

FINNISH CP 'DARES' TO COOPERATE IN SPONSORING BAHRO TALK

Helsinki HELSINGIN SANOMAT in Finnish 11 Dec 79 p 7

[Text] Though Rudolf Bahro, 44, came officially to give just one lecture in Ilkka-Christian Bjorklund's (member of parliament, People's Democrat) lecture series at the University of Helsinki, his visit has a larger political significance.

For the first time in a long time, Finnish communists and socialists have dared to cooperate with a dissident from a socialist country, who was sentenced to a long prison term.

The socialists of the Finnish People's Democratic League and the majority wing of the Communist party think pretty much the same way as Rudolf Bahro, a critical Marxist, but they have been silenced because of pressures from within and without. The activity of Finnish communists is contradictory because they act like Swedish social democrats but talk like Moscow Stalinists. Bahro's thoughts echo the suppressed feelings of Finnish communists.

On Monday, Bahro met People's Democrat Chairman Ele Alenius and commented on their mutual feelings: "I believe that we would both agree with Rosa Luxemburg that socialism without democracy is not socialism, and democracy without socialism is not democracy."

Eight Years in Prison for Espionage

After spending more than 2 years in an East German prison on trumped up spy charges, Bahro was freed in October and expelled to West Germany, where he was permitted to take his wife, two children and a woman friend. He had been sentenced to 8 years in prison because of his book, "The Alternative," published by the West German labor movement press. The day after the book was published, Bahro was arrested. The following day, the party newspaper NEUES DEUTSCHLAND announced that the reason for the arrest was espionage.

Bahro was given the option of leaving East Germany, but he declined and accepted imprisonment in a trial which even a representative of the French Communist Party was not permitted to attend. No evidence was found in

support of the accusation in court records released later. Last August, East Germany decreed "Lex Bahro," which provides several years' imprisonment for anyone who sends abroad material "which tends to undermine the interests of the German Democratic Republic."

Bahro's background is eminently communist: Socialist Unity Party member since 1952, a degree in philosophy from Humboldt University, worked as a party functionary collectivizing agriculture, college newspaper editor, scientific federation official, assistant editor of the political publication FORUM, and worked on industrial efficiency.

Problems Cloud Appearance

Bahro's appearance was not without complications. Kurt Stillman, cultural envoy at the East German embassy, tried to block the lecture at the university. When that did not succeed, he attempted to arrange an anti-Bahro concert at Old University Hall, but the hall had been reserved by the Living Music Society. So the Stalinist leadership of both the studentbody cultural center and of the Living Music Society cancelled the event and turned the hall over to the embassy. In the end, the embassy decided to cancel its own concert.

Another unusual development was the call paid by a delegation from the Labor Athletic Union to the East German embassy officially denouncing a proposal by Bahro's hosts that a couple of wrestlers be furnished by the athletic union to serve as bodyguards.

Aarne Saarinen, chairman of the Finnish Communist Party, and Kalevi Kivisto, chairman of the Finnish People's Democratic Union, dissociated themselves from Bahro's visit but in unusually mild terms. Bahro was not labelled as an anti-socialist spy, which would have pleased the East German embassy. Rather he was referred to as a person "who has become known especially for his writing critical of the East German and socialist economy.

9551
CSO: 3107

PROFESSOR DISCUSSES SECURITY POLICY, SOVIET PACT

Helsinki HELSINGIN SANOMAT in Finnish 21 Dec 79 p 2

[Article by Raimo Vayrynen]

[Text] Raimo Vayrynen, 32, is an associate professor of political science at Helsinki University specializing in international politics. He is one of our country's leading scholars on peace and conflict. Professor Vayrynen was appointed by the foreign ministry as a member of the disarmament commission and headed its research and information service. Vayrynen served as director of the institute for the study of peace and conflict. He is also executive secretary of the international peace studies union.

Discussion of Finnish defense policy often reveals a certain predisposition. When we talk about military power and responsibilities, strong emotions and ideas come into play, which is quite natural considering the subject. In practice, however, this means that study and systematic consideration are not often given much credence in defense policy discussions.

This applies not only to the people who write letters to the editor, because various unfounded beliefs are found even among professional officers on active duty. For example, consider the mechanistic calculation that to defeat Finland militarily would require a force three times the size of the defending force, or 2.1 million troops. Nor is it unusual for our strategic location to be used as grounds for increased defense appropriations and regional defense spending.

Paris Agreement Determines Level

Defense policy discussion, especially rational defense policy discussion, is needed, because the size of Finnish military establishment and its arms technology are established by decisions made in this country within ceilings set by the Paris peace accord.

It is well known internationally that, except for the Paris agreement, Finland is not bound by any international obligations which would dictate a particular level of armament. On the other hand, there are quite naturally many external expectations of what the nature of our military preparedness ought to be. From these expectations and based on the general trend of international defense policy, authorities in this country must formulate conclusions relative to the level of defense spending.

No Mention Of Military Strength in Finnish-Soviet Friendship Treaty

One of the aforementioned expectations is the belief held by the United States and NATO that Finland and Sweden should increase their military presence in their northern regions. The fortification of Lapland over the last few years has fulfilled this expectation, though there may well have been other motivation for doing so.

Contrary to what is often alleged, the friendship and mutual aid treaty with the Soviet Union does not require of Finland a particular level of military strength--not even a minimum level. The treaty does obligate us to defend "with all available force" against a possible attack against us or against the Soviet Union via Finland by Germany or any of its allies. During peacetime, "available force" means the military level decided upon by parliament and the government under the limitations of the Paris peace accord.

Friendship and Mutual Aid Treaty Relationships Clear

From a judicial point of view, the relationship between the friendship and mutual aid treaty and our defense policy is clear; under certain conditions, it requires military cooperation with the Soviet Union. However, as this policy is discussed and interpreted, that clarity is usually blurred. The treaty itself is often used as a defense for diametrically opposing viewpoints. The treaty can be used as an argument for unilateral disarmament by Finland because, in case of attack, we could rely upon the military might of the Soviet Union for defense. On the other hand, under the defensive obligation imposed by the treaty, a case can be made for a substantial increase in Finland's military preparedness up to the level of other Scandinavian countries. Most Finns have trouble accepting unilateral disarmament as a dictate of the treaty, but usine the treaty as a justification for our armament policy is just as illogical. The latter point of view is doubtless based on the idea that, if we were to substantially build up the army, we would so enhance our ability to defend ourselves that it would not be necessary to rely upon military cooperation with the Soviet Union, nor would we even have to consult with them.

Treaty Not Just Military

This conservative mode of thought falls apart when confronted by the fact that the friendship and mutual aid treaty is not just military; it does not

regulate only military power relationships. It is also a political treaty. The question is not simply: Can Finland singlehandedly defend itself against attack, or is Soviet aid required?

As international tension increases, the treaty is useful as a channel of political communication: The experience gained from the "note crisis" demonstrates that, viewed from the broad perspective, this consultative mechanism can serve the security interests of both sides in extraordinary situations. We must also consider that a high level of armament in Finland might raise doubts in the Soviet Union about the nature of our foreign policy intentions.

Foreign Policy Priority

The heart of Finland's security policy is independent and limited neutrality based on the friendship and mutual aid treaty. Unlike Sweden, that neutrality is not based on heavy armament, but rather on efforts to establish relationships of confidence with those nations most important to us. Arming Finland or one of its geographical areas does not fit in the total picture of our security policy. In making decisions regarding our security policy, foreign policy principles and interests must be given priority.

This does not mean giving foreign policy priority mere lip service, but that we search for concrete approaches to security policy problems other than military solutions. This pertains as much to Lapland security policy as to the possible consequences to Finland from European missiles.

9551
CSO: 3107

STATE OIL MONOPOLY NESTE ASSURED OF SOVIET SUPPLIES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 17 Dec 79 p 14

[Article by Werner Adam: "Under No Circumstances Does Finland Intend To Freeze"]

[Text] Helsinki--A shiver runs down the spines of the Finns as well whenever they are presented with a higher petroleum bill from time to time. But they need not get too cold, because through long-term agreements with the neighboring Soviet Union, this country to the far north has secured for itself a source of supplies which has so far been reliable. Natural gas as well is coming from an eastern pipeline, while coal is being supplied above all by Poland. "We are facing the future with a certain degree of confidence," it is being said at the top level of the state-owned Neste concern, which procures a large part of Finland's energy supply. And if the question of Finland's marked dependence on the Soviet Union is brought up, a not unfounded counter-question is posed in asking whether there are really fewer problems involved nowadays in being dependent on the OPEC suppliers.

Indeed, even with some of these latter nations Finland maintains decidedly good relations. Neste attributes this to the fact that it was already concluding initial agreements with Arab oil companies at a time when other industrial countries were still exclusively counting on the large multinational corporations. And the result of this policy, as measured by oil imports for 1978: Out of a total of 10.5 million tons, Finland imported 67.5 percent of this from the Soviet Union, 14.9 percent from Saudi Arabia, 7.4 percent from Iran, and 3.6 percent from Iraq. The rest was contributed by the North Sea producers, Great Britain and Norway. On the other hand, Neste did not need to resort to the spot market in Rotterdam either in 1978 or this year. That is not likely to be necessary in the future either, because Finland and the Soviet Union recently signed a new trade agreement for the period of time from 1981 to 1985, which moreover even assures the Finns of a gradual increase in Soviet oil deliveries from an annual 7 million tons to 8 million tons. Moscow also did not rule out a possible raising of the natural gas quota, from the present 1.4 billion

cubic meters per year. To be sure, the Soviets are not really content to charge a "friendship price," but instead follow rather closely the OPEC price curve and "are tough businessmen." Of course, in this way Finnish industry can supply at the same time more goods to its neighboring country to the east, because the bilateral 5-year agreements provide for a trade which is invariably compensatory in nature.

Although Neste Oy was initially established in 1948 merely with the intention of handling imports of petroleum products and their storage for the State, in the interim it has long since grown into the largest concern in the country from the viewpoint of business volume--which amounted to 6.5 billion Finnish marks in 1978--and it can be found on the list of the 200 most important enterprises in Europe. By now, this company has its own refineries with an annual capacity of 15 million tons, has its own tanker fleet, even though still a modest one, and has even become an exporter of petroleum products. According to an agreement entered into quite recently, Neste will now be processing 1.5 billion tons of crude oil annually for Sweden. In 1978, for example, this enterprise made deliveries, primarily to Sweden, of 566,000 tons of gasoline, almost 800,000 tons of heating oil, and 52,000 tons of naphtha.

From 1964 to 1973, this concern was able to increase its annual business volume by an average of 25 percent. The enterprise invested around 20 percent of these monies. At the same time, it has also become active in the area of petrochemistry. Neste produces ethylene, butadiene, and propylene. It began the production of benzene and nitrogen a year ago, and it is taking over the chemical enterprise of Pekema Oy for the price of 411 million Finnish marks.

Of course, the chief attention is still focused on a steady supply of oil to the country. In this connection, it is not without pride that the visitor to this country is informed that it was back in 1964 when Neste began on the development of underground oil reservoirs--to be more precise, rock caves--which by now have a volume of over 3 million cubic meters and thus are among the largest of their kind in the world. In order to ensure that the refineries are always used to capacity, an oil inventory holding on this scale is viewed as indispensable, because from January to March sea transport can pose problems due to the formation of ice in the harbors. Finland does not want to get too cold under any circumstances precisely because if it were to fail to avoid freezing, this would be not merely no picnic but downright unendurable, in view of its long winter seasons.

12114
CSO: 3103

SOVIET-MADE ANTI-AIRCRAFT MISSILES ARRIVE

Helsinki HELSINGIN SANOMAT in Finnish 11 Dec 79 p 8

[Text] The first shipment of anti-aircraft missiles purchased from the Soviet Union is on its way to Finland. Part of the shipment of 30 railroad cars is now at the border station at Vainikkala, from which it will be sent to Jarvenpaa. From there it will be trucked to the Helsinki anti-aircraft regiment at Hyryla. The new missiles will be called Anti-Aircraft Missile-79.

The weapons will constitute the regional anti-aircraft missile system for the Helsinki area. The system includes target-directional radar, fire-directional equipment, carriers, missiles, training materials and land tractors. Another shipment will arrive in Finland later this winter.

Accompanying the equipment to Finland are Soviet personnel who will supervise getting the system operational. Before the missiles were shipped, 30 military technical experts were trained in the Soviet Union, who will be assigned to an on-going training program at Hyryla.

Anti-Aircraft Missile-79 is the same type which was used in the Middle East war. Based on battle experience plus many years of service, the equipment has been updated to meet the latest requirements.

The general staff emphasized that with the new missiles, the recommendation of the second parliamentary defense committee for training and technical preparedness for regional defense can be met. An official presentation of the system will be made in late winter.

9551
CSO: 3107

AIR FORCE SPOKESMAN DISCUSSES FOUGA, HAWK SITUATION

Helsinki HELSINGIN SANOMAT in Finnish 14 Dec 79 p 15

[Text] The Finnish Air Force's Fouga Magister fighter trainers will not be removed from service completely until 1985. The first English-made Hawks will land in Pori next December, but updating the planes will take some time. The Fougas will not be retired from the catapults.

In 1977, the Fouga's familiar V-tail became a symbol of mourning for our air force; accidents claimed the lives of eight fliers. Now 2 years have passed without an accident. How is the Fouga doing?

Captain Lars-Olof Fredriksson, air force information officer, feels that the long accident-free period is not simply luck, nor is it due solely to technical improvements in flight security drawn up by a team assigned to consider safety during the Fouga's black year of 1977. All Fougas were inspected thoroughly two years ago, but no technical defect was discovered.

Pilots Staying In Now

Fredriksson believes that the decrease in accidents is due to improved morale in the air force. "Ten years ago, pilots who had completed training were transferring en masse to Finnair; for example, in one cadet class, only one man stayed in the air force. Many of those who stayed in the military may not have had a very high regard for a career as a military pilot. Some may have thought, "What am I doing here now that all my buddies have disappeared. Our personnel problems laid the groundwork for accidents."

The departure of so many to civil aviation distorted the age structure of air force flight personnel. Because one generation of aviators was missing, many responsible positions were filled by very young officers. Captain Fredriksson emphasized that the flight units are now in more experienced hands.

The loss of flyers to civil aviation stopped when the air force went to a 10-1/2 year tour of duty in the spring of 1977. But air force morale is

still vulnerable to equipment deficiencies and to personnel shifts. Favorable changes also show up immediately.

"A small country has a small airforce, where everybody knows everyone else. Now that we are getting the Hawks, morale is high and we are waiting feverishly for the planes to come," Fredriksson said. He compared developments in Finland to the situation in Sweden, which is undergoing a cutback. The air force appropriation in Sweden was reduced, and air force morale is at rock bottom.

Silver Anniversary For The Fougas

The French-built Fouga Magister made its first flight in 1952. The first planes landed in Finland at the end of 1958, so that they have now been in service here for 21 years. So the Air force will celebrate the Fouga's silver anniversary before the Hawk drives it into retirement. Other Fouga statistics include 20 crashes in which 22 fliers have died.

The Fouga's disastrous 1977, during which eight aviators died, will never be explained by sorting and resorting the facts. "A statistical concentration occurred," says Fredriksson. The flight safety commission which was established the year all the accidents occurred, said in its report that the events of 1977 may point to a period of increased accident frequency. It has been observed that during a modernization stage, more accidents occur in both the old equipment and the new equipment.

However, the Fougas have again performed reliably for a long time, without even a "near-miss," according to Fredriksson. Last October, a student pilot had to land at the standby field at Alavus because the weather had deterioriated during his flight. That is the only unusual incident during the Fougas' two-year accident-free period.

Two Restrictions On Fougas

Because of the Fouga accidents, two flight restrictions were imposed. The minimum altitude for student pilot acrobatic flying was set at 2 thousand meters, and flying in freezing conditions was substantially restricted. In 1977, two fliers died because of icing in the engines and three planes crashed during acrobatic flights killing three pilots. An additional restriction placed on acrobatic flight was that the plane must be in constant radio contact with the ground during the maneuvers. "Previously, the radio was used often, but now it is compulsory," said Fredriksson.

No maneuvers were eliminated from the flight program. Most of the oldest heavy-winged Fougas have been converted to light wings. The heavy-winged plane is awkward to handle and was responsible for one fatal accident during acrobatic flight at the Pori field in August, 1977.

The 1977 flight safety commission stated that there are in the Fouga's design "features which can be considered hazardous to flight safety." The plane is not technically defective, but it does have some outdated characteristics. The Fouga has a greater tendency than more recent planes to go into a tailspin, and it does not have an ejection seat. "The Hawk has an ejection seat which will discharge even parked in front of the hangar," said Fredriksson of the Fouga's successor.

The flight safety commission recommended many measures to improve flight safety through added personnel and equipment. Many of the proposals have not yet been put into practice, but progress has been made. "Flight safety boards have been established under the supervision of unit commanders and next year's budget includes the positions of flight safety supervisor and flight safety engineer. The men will be located at air force headquarters at Tikkakoski," according to Fredriksson.

The report called for a psychologist to monitor pilot mental condition and a training supervisor at the colonel level, neither of which has been established. Fredriksson says that unit commanders now meet regularly to discuss flight safety. Previously, such meetings occurred only occasionally.

The equipment at military fields has been criticized. The equipment is adequate only at airports used also by civilian aviation. The military flight training center at Kauhava is now receiving an instrument landing system, which will improve landing safety. The Fougas will be equipped with the instruments required by the system. These are the only modifications which will be made on the planes before they are scrapped.

No Criticism of Flight Discipline

Flight discipline has not been a problem. Of the Fouga accidents, only two were caused by pilots ignoring the rules. In 1976, a Fouga crashed into the lake at Viitasaari while flying upside down. Ten years earlier, a plane crashed during low-level acrobatics. Air force morale improvements have eliminated discipline problems.

"It was different during the fifties, when all the Vihuris were crashing. The pilots deliberately buzzed cabins. There wasn't a bit of discipline," Fredriksson recalls.

The air force now has about 60 Fougas, which are flown more than any other military plane. Only Utti does not have any Fougas. "We call it parallel training. Draken and MiG pilots maintain their familiarity with the Fougas," says Fredriksson, who himself flies a Fouga regularly.

Besides Finland, Israel and a few African nations still include Fougas in their air forces. West Germany dropped their Fougas in the 1960's. The Finnish air force Fougas are the earliest version with the weakest engine.

Hawk To Be Gradually Integrated Into Military Flight Training

The first English-made Hawk fighter trainers will arive at the Satakunta flight headquarters at Pori in December, 1980. Licensed manufacturing of the planes in Finland will begin the following year. Next summer, a group of experienced pilots will be trained in England to operate the Hawks, and as soon as the Hawks arrive in Finland, one of the planes will be turned over to the crew for flight testing.

The Hawk will be introduced gradually into use in military flight training, the first in 1983 after the test pilots have checked out the planes and set up a training program. A flight safety program must also be approved first

Even before the Fouga is discontinued by the air force, the Ilyushin 28 target tow plane will be retired. The Ilyushins located at Utti are light bombers flown for the first time in the late 1940's. A replacement has not been chosen.

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VINKA TRAINER FACTORY BURNS; MAY SLOW AIR FORCE ACQUISITION

Helsinki HELSINGIN SANOMAT in Finnish 24 Dec 79 p 8

[Text] The cause of the fire at the Valmet manufacturing plant at Kuorevesi was still unknown on Sunday. Saturday, it was felt that the blaze had started with the heating system. A watchman on his rounds noticed that flames were leaping up around the boiler, at which time he turned in the alarm. Another eyewitness saw the same thing.

However, a preliminary examination made on Sunday showed that the boiler was still intact. The investigation was halted on Sunday and will be continued after the Christmas holidays.

The aging factory building did not have central heating, but was heated by oil-fired forced-air heaters. The building was not equipped with an automatic sprinkling system. Plant authorities at Kuorevesi estimated that the damages would amount to several million marks. The 1,500 square meter frame building, built in the 1940's, was insured along with machinery and parts. Two other wooden factories built at the same time in Kuorevesi have also been destroyed by fire.

Two New Buildings Under Construction

The fire destroyed Vinka and Hawk tools along with fuselage and wing parts valued at several million marks. Replacement of the tools and parts will take longer than replacing the burned assembly area, because two new buildings will be completed in February. The new buildings contain about 4,000 square meters of space in all. One of the buildings will house the assembly of Hawk jets and the other will be used as a machine shop and equipment repair center serving the whole plant.

There have been rumors that Vinka production would be moved to the plant at Tampere. Currently, wing spars, fuel tanks and engine cowling are being built at Tampere. "I don't know where or when we will continue, but I think Kuorevesi is the only realistic location. Talk of moving to Tampere is premature," says Kuorevesi technical director Asko Tonteri. He says

that, in addition to the new buildings, only half of the old machine shop is being used.

Valmet employs some 600 employs some 600 people here. Tonteri believes that the 18 sheet metal workers who worked in the burned building can be relocated at Kuorevesi.

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EMERGENCY POWERS BILL WOULD GIVE TOO MUCH AUTHORITY TO GOVERNMENT

Helsinki HELSINGIN SANOMAT in Finnish 21 Dec 79 p 2

[Editorial]

[Text] The parliamentary emergency preparedness committee has submitted to the cabinet a proposal providing a general framework for emergency legislation which, with separate, associated bills has aroused considerable attention. The bill would grant whatever government that happened to be in power broad authority to determine when emergency powers laws should be implemented empowering the government to interfere without restriction in the lives of individual citizens and the activities of organizations.

The framework law is intended to cover intermediate, abnormal situations other than war. The law defines such emergencies in general terms. They would include an armed attack on Finland or a serious violation of Finland's territorial integrity, or a threat of war or a war or a threat of war between neighboring states, or any other external event which could develop into a grave and lasting danger to the foundations of national existence and well-being.

But under the terms of the bill, an energy shortage or restraints on the importation of essential raw materials "or other comparable event" comprising a serious threat to the foundations of the national economy or to the livelihood of the citizenry could be termed an emergency. A disaster resulting in even a single casualty, or terrorism, would be grounds for declaring an emergency.

A state of emergency could be declared immediately by presidential decree upon the consideration and recommendation of the government. The decree would be effective immediately, which differs from the provisions of the law securing citizen livelihood and the national economy, which cannot be put into force without the approval of parliament. The present bill provides that the emergency declaration could be reviewed after the fact by parliament, where it could be ratified or repealed by a simple majority.

The execution of the government's prerogatives is further secured by its power to unilaterally regulate the appeal procedure; the government may choose to establish separate boards to handle appeals.

The principles and content of the legislation were influenced by similar legislation pending in or on the books of several other countries. Finland also requires legislation which can be put into effect quickly and which, in a serious emergency, would protect the citizens, secure their livelihoods and basic rights, and which would secure a functioning justice system and the independence of the republic and its territorial integrity.

But the question is: What kinds of additional powers does the government need besides martial law, civil defense law, and other legislation already on the books?

In considering this bill, we must not close our eyes to actual events elsewhere in the world where this kind of authority is currently in effect. It must be remembered that this type of power is greatly abused even in the West. Such abuses are listed in the latest report of Amnesty International. It tells how attempts to wipe out political violence have resulted in infringements upon individual rights, even in Western Europe.

In the light of this experience, the powers now under consideration are dangerously broad. Even the very definition of a state of emergency is so loose that the governing board of a single political party or an acting or caretaker government could select almost any existing condition as the basis for declaring a state of emergency and could defend it quite convincingly under the terms of the bill. Having declared an emergency, the government could confiscate property, etc.

But what is of even greater concern, the government could nullify basic individual rights which are guaranteed by the constitution. The bill does say that civil rights could be limited only as required by the exigencies of the situation. But this restriction would be subject to interpretation by the government, which could come up with justifications at will.

In emergencies other than war, the law only prohibits the government from infringing upon freedom of speech, freedom of association and freedom of assembly. All other basic rights would be subject to violation. The government could order residential searches and allow officials to violate privacy in homes, in the mail, in the telegraph and telephone. Citizens would no longer enjoy the constitutional guarantees of security for life, honor, personal liberty and property. Even equality before the law would not be guaranteed.

We must beware of this sort of legislation. Parliament should not rush into approval of this virtually unlimited transfer of power, the implementation of which it could well regret before it could even act on the matter.

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AFGHAN ISSUE DIVIDES POLITICAL, LABOR, OTHER LEADERS

Paris LE POINT in French 21 Jan 80 pp 30-32

[Article: "The Threat of War, France's Hawks and Doves"]

[Text] Hawks or doves? The threat or fear of war always produces differences, some of them at times unexpected, among a country's leaders. LE POINT recently conducted an opinion survey in various circles, asking three questions: Is this the end of peaceful coexistence? Must the West react more vigorously than it has? And what about France's attitude? The dividing lines cross through all political and intellectual families, and even individuals themselves in some cases.

Political Leaders

Atlanticism or Gaullism

Among politicians, the dividing line separates hawks from doves as much as the Atlanticist tradition from the Gaullist tradition. Opinion within the RPR [Rally for the Republic] unanimously considers the French Government's attitude to be insufficiently vigorous, at least in its form. But this unanimity disappears once the issue is whether detente is now questionable and whether other measures must be taken.

First, here are the views of those political leaders faithful to General De Gaulle's foreign policy. Couve de Murville, for example: "My personal concern and our collective responsibility is France." Or Jean de Lipkowski, the RPR's foreign affairs spokesman: "I do not approve of any move that would ultimately reconstitute a Western bloc. France must freely choose its own policy in this matter." Michel Debre also approves of the government having reached an agreement with the Germans on this issue.

Oliver Guichard strikes a somewhat different note. He has no illusions: "The Afghan situation is neither within our area of responsibility nor within our means.... As for Europe, it is surely going to wake up, particularly about Yugoslavia."

Lastly, Hector Rolland speaks for the RPR's rank-and-file deputies who are more "sabre rattlers" than diplomats: "Yes, other measures must be taken. All means ought to be employed, except armed intervention. The West is flinching in the face of Soviet power. We have bowed to the Russian diktat."

Moderates and centrists are no less divided than the Gaullists. The CNI's [National Center of Independents] traditional right has no qualms. "So the 'kiss on the mouth style' of detente is now finished," exclaimed its chairman, Philippe Malaud. "Up to now, the West has responded in a very limited way.... Europe should combine its efforts with those of the Americans to make the Soviets understand they must go no further." In short, an unadulterated and hard-line Atlanticist viewpoint.

Andre Diligent and Bernard Stasi of the UDF-CDS [French Democratic Union-Center for Social Democrats] are also Atlanticists both by tradition and conviction: "The West must show its determination to defend its interests, and Europe must speak with one voice at the political level," said Diligent. "The government reacted belatedly, and somewhat spinelessly, initially at least," said Stasi. Jean Lecanuet, a member of the same political family, but chairman of the UDF, could not permit himself to be so bold: "I personally would have liked a more vigorous condemnation of the Kabul coup. Having said this, the French Government's moderation should not be misunderstood. It is a prudent attitude, not a weak one."

Fortunately VGE [Valery Giscard d'Estaing] still has his staunch supporters, like Jacques Blanc who "fully agreed" with the position taken by VGE, or like Michel Poniatowski who, the other day, asked Frenchmen not to overlook the fact that "Soviet power may be necessary some day to counterbalance the enormousness of the Asiatic mass."

Lastly, the PS [Socialist Party] has not been spared in that it too has divergent views within its ranks. Of course, none of its members want to believe that this means the end of detente, and all of them condemn the government's lack of vigor. But on both the left and the right of the two socialist leaders who are considered "presidential timber"--Francois Mitterrand and Michel Rocard--two sharply different factions have emerged.

The first is that of the Atlanticists represented, for example, by Robert Pontillon: "Yes," he said, "other political and economic measures must be taken. Nonresistance to aggression means surrendering to the aggressor. The whole history of Europe is proof of this. It's another Munich.... The French Government is mistaken in its estimate of the situation. What is really happening is the implementation at one point, namely Afghanistan, of the USSR's worldwide expansionist strategy."

How could Jean-Pierre Chevenement, leader of the CERES [Center for Socialist Studies, Research, and Education], possibly concur with that opinion? "I am inclined to think," he rebutted, "that the Soviet intervention in

Afghanistan is prompted more by local and regional considerations than by any desire to scuttle detente.... Does the West exist?... It is certainly in France's interest to enhance detente in Europe. As far as the issue of war and peace is considered, neither France's interests nor Europe's interests are identical to those of the United States."

Thus we see that hawks and doves coexist everywhere in a sort of complex "alchemy." Solely the PC [Communist Party] outwardly appears to have no such ornithological variety.

Labor Union Leaders

Straddling the Issue and Harsh Condemnation

In answer to LE POINT's questions, Jean Menu, chairman of the General Confederation of Managerial Personnel (CGC), said: "The Afghan question? The CGC does not meddle in politics. Ask the CGT [General Confederation of Labor] instead."

The CGT's press officer told us: "Oh dear! Your questions are highly political. I tell you what, I'll talk to the comrades who handle such matters and call you back." When 24 hours had passed without the promised answer, LE POINT called again. "Oh, yes, your questionnaire. I'm sorry but it's far outside the scope of labor union matters." Mum's the word, therefore, at CGT headquarters where officials limit their comment to the official statement--neither approving nor condemning the Soviet invasion--which half the members of the confederal bureau had, nevertheless, refused to vote for on 8 January.

In his latest editorial, Edmond Maire resurrected the old rallying cry used by internationalist union leaders early in the century: "War Against War." Although it harshly condemns the Soviet invasion, the CFDT [French Democratic Confederation of Labor] wants to keep cool. "In such a tense situation, retaliatory measures against the USSR could only encourage the hawkish elements within each camp," explained Jacques Chereque who heads the CFDT's international affairs section. But so as not to "bury" the Afghan issue, the CFDT could publish and nationally distribute a pamphlet on the subject or initiate a series of protest rallies in factories.

Lastely, LE POINT questioned the FO [Workers Force] and that union, for once, did not take refuge behind an apolitical attitude. Detente? "The USSR is taking advantage of it to upset the balance of forces in its favor," explained Antoine Laval, the FO's international affairs official. The West's response? "It's not up to us to decide that. But any weakness on the part of the Free World will be immediately exploited by the USSR."

Business Leaders

Realism or Firmness

"It's a ticklish issue"! In the business world, such is the first and often the only comment made on the questions asked by LE POINT. And in general, business leaders explained that sentiment is one thing and business is another. "We work throughout the world and cannot take any position on these events," the embarrassed president of a large firm apologized. As for the CNPF [National Council of French Employers], it has remained prudently silent. But the big surprise is the business newspaper LES ECHOS, a publication free from any suspicion of ideological collusion with Moscow, which is suddenly calling for "the most harmonious coexistence possible of countries with different social systems."

Yet a few "kamikazes" did take the plunge. For example, Jean Pinchon, manager of Louis-Dreyfus, one of the world's largest grain dealers, bluntly said: "I consider us to be at war." He added, however: "Economic retaliatory measures are not a good solution, because we would thereby create problems for ourselves." Maurice Bidermann, who has worked with both the East and the United States, was more categorical: "We must react more firmly. We cannot place ourselves under the American umbrella and at the same time not support the United States." Paul Dubrule, NOVOTEL's president, reversed the words of the Bible. "When you get slapped," he said, "you must retaliate in kind, but without thereby assassinating the enemy. Our reacton should have been quicker and firmer."

But it was Jean-Baptiste Doumeng, the "Red billionaire," a member of the PC and president of Inter-Agra, a firm specializing in agricultural trade with the East, who best reconciled his business with his convictions. "It's alarming to think that food can be used as a weapon like any other," he indignantly argued on Antenne 2 [TV channel] last Wednesday. "The embargo is going to help Soviet agriculture develop, and in 20 years it will play an important part in the world market."

In a word, for this strong partisan of detente, who noticed no Soviet aggression in Afghanistan, grain, like money, evidently has no smell.

Military Leaders

Hotheads and the Serious-Minded

"Did you see their helicopters? They're flying them at an altitude of more than 2,000 meters in the middle of winter. Those guys sure have a lot of guts"! Such was the first reaction of the French military upon hearing of the coup in Kabul. It was the normal reaction of technicians discussing the details of an operation by their Russian "colleagues." They also all displayed great composure, but not without seeing a certain irony in the

situation. At a time when so many panic-stricken Frenchmen are asking them (not always jokingly), "Well, are you mobilizing", the French military are not displeased at being able to remind their countrymen that at least they, the military, have always believed in the Russian threat.

But basically most of the military made no bones about their feelings. After all, that is their job and their temperament. One colonel told anyone who would listen that he would like to see the Afghan resistance "armed by the West." Many said we must stop "making presents to the USSR." Almost all wished that France had a spokesman other than "the so highly diplomatic Francois-Poncet."

Many military experts personally endorsed the need to be firm. In General Bigeard's opinion, the West's reactions thus far "are so much fluff. Real firmness is what Kennedy displayed in 1962 during the Cuban crisis"! And in that connection, Alexandre Sanguinetti recalled how De Gaulle had unhesitatingly sided with the Americans during that crisis. "Remember what happened at Munich. The hope of appeasing an adversary has never prevented tragedy"! That is also the opinion of UDF [Union for French Democracy] Deputy Arthur Paecht: "We once chose to do nothing against Hitler"!

Nevertheless, some experts, such as General Buis, refused to be so bluntly categorical: "It may also be a mistake by the Russians"! Nor does the Ministry of Defense reject this possibility. Officials there claim they are "serious-minded" and they speak derisively of those naive individuals who are convinced of the "Russian pope's infallibility." In any case, they do not believe for one second that Afghanistan, "under Russian influence long before 1917," has shaken detente. As for "France's lack of firmness," what a joke! "Remember that only yesterday the Americans--along with the Russians--wanted to lure us into the SALT III negotiations which led straight to the neutralization of Europe"!

Intellectuals

Condemnation and Division

There is massive and striking evidence that the PC no longer has any fellow travelers. We scrutinized the lists published in L'HUMANITE and found no names of any prominent noncommunist persons prepared to follow the PC. But French intellectuals from the left to the right are not in agreement on this issue.

For instance, when asked if the Afghan invasion meant the end of peaceful coexistence, Alain de Benoist, philospher and poet of the "new right," quipped sarcastically: "Detente is nothing but the continuation of the cold war by other means." As for the measures taken by the West, they are never more than "counters" to an expansionist strategy of the USSR. "France has no backbone."

"No, France has not been lacking in firmness," replied Jean-Marie Benoist and Michel Prigent, leaders of associations of university professors supportive of the governmental majority. "But beware of what is to follow, particularly in Yugoslavia." For the author of "Marx est Mort" [Marx Is Dead] and "La Chronique de decomposition du PCF" [Report on the Breakdown of the French Communist Party],"the Kremlin leaders are serious-minded persons and they have understood that the measures taken by the West are a real warning."

For the CIFL (Committee of Intellectuals for the Europe of Freedoms), the danger point has now been reached. "Emmanuel Le Roy Ladurie is very worried, Ionesco is highly alarmed, along with Jean-Marie Domenach and others.... They feel that the USSR is steadily advancing while the West is drifting," revealed Alain Ravennes, the CIEL's secretary general. In any case, CIEL supports boycotting the Olympic Games in Moscow, "the most powerful center of totalitarianism."

In contrast, Bernard-Henri Levy, the author of "Testament de Dieu" [God's Testament] who describes himself as a "libertarian liberal," is opposed to any boycott of the Moscow games. Instead he asked: "What indeed are the democratic countries waiting for to make their participation conditional on the release of political prisoners in the USSR?... Three hundred could be freed"! In Levy's opinion, "the French Government," on the Afghan issue, "seems to be wavering between siding with Carter and siding with Marchais. I should like to see it side with human rights. Its attitude is a borderline case of resignation." This is a denunciation of Giscard's policy which is likewise the policy of leftist intellectuals.

The historian Jacques Juillard, a NOUVEL OBSERVATEUR editorialist, commented: "The French Government has taken a purely tactical position. It has forgotten the right of self-determination of peoples, a fact that surprises me only slightly. A rightist Realpolitik."

Alain Touraine, a sociologist and MATIN DE PARIS editorialist, also no longer approves of France's position. For him, however, "the real problem is that the world is now threatened by tottering hegemonies which gather strength through expansionism and not by progress." He then explained: "In the USSR, reasons of state, empire, and conquest triumphed over those reasons of economic development that were the reasons of coexistence."

Among all the intellectuals we questioned, only one answered our three questions with but one word. We refer to Andre Gluckmann, the author of "Maitres Penseurs" [Master Thinkers]. To our first question on the end of peaceful coexistence, he replied: "What peaceful coexistence"? To our second questions on possible harsher measures by the West, he answered: "What West"? And lastly, to our third question, "Has France been firm enough," he retorted: "No."

The Church

A Crosier-Thrust

No special prayers for peace in Afghanistan in French churches. No position taken by the bishops either. Admittedly no authoritative episcopal body has met since the Soviet intervention. But above all, the episcopate's outlook evolves slowly and up to then it had been focused on "dialog."

At the Vatican, on the other hand, Pope John Paul II, who had revived Paul VI's policy of an "opening toward the East," mentioned the Soviet intervention. At the annual reception for the diplomatic corps last Monday, he referred to Afghanistan by name and stated: "Respect for each country's independence and the right of peoples to rule their destiny according to their own partiotic and religious sentiments" constitute "basic requirements of peaceful international existence." A crosier-thrust at the USSR.

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ELLEINSTEIN NOTES GROUNDSWELL AGAINST PCF OFFICIAL LINE

LD061629 Brussels LE SOIR in French 27-28 Jan 80 p 3 LD

[Unattributed report: "Elleinstein's View on the Soviet Regime: 'Soft Stalinism,' the Product of Army Supremacy"]

[Excerpts] The army is imposing its view on the Soviet Union, believes leading PCF critic Jean Elleinstein, who denounces the Kremlin's "headlong flight and irresponsible leadership" whose "soft Stalinism" is overflowing into a "cold detente."

Questioned on Friday evening by our special correspondent in Paris, Jean Elleinstein added the following comments. As spokesman, to some extent, for the line hostile to the PCF leadership's policy, he believes this line is asserting itself more and more among the intellectuals, even if the majority do not say so publicly.

In his view, these ideas are winning over many PCF voters. The latter, amounting to one-third of the PCF according to Thursday's LE MATIN (Paris) poll, condemn the PCF position on Afghanistan.

This does not imply that they will no longer vote PCF, but Jean Elleinstein believes this mass, broadly critical of PCF official policy, will be able to influence the leadership's final decisions.

Jean Elleinstein indicated that the same attitude predominates in various other organizations, such as the CGT. "Till now," he concluded, "the problem has been that it might go beyond a struggle between intellectuals and that this might set a bad example. But developments are effectively going in this direction."

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'L'HUMANITE' HITS 'PERSISTENT AGGRESSIVENESS' OF U.S., BRITAIN

LD311239 Paris L'HUMANITE in French 25 Jan 80 p 1 LD

[Editorial by Yves Moreau: "Sound of Boots"]

[Text] As early as Article 2, the UN Charter stipulates that UN members "should refrain, in their international relations, from resorting to threats or use of force...."

Presenting his state of the union message to Congress, Mr Carter left this essential principle for dead. In effect he asserted himself ready to respond to what he considered a "threat" in the Persian Gulf "by any means, including armed force."

He even specified that this intent applies to "threats of internal subversion."

This clearly signifies that any "subversive" movement against the feudal lords of Saudi Arabia or the Arab emirates would come up against U.S. armed forces. It also means that these forces could eventually be used against the Iranian people, who are guilty of smashing the yoke of autocracy.

The Afghan situation is vainly cited in justification of such claims. The latter, in fact, long predate the events in Afghanistan and even in Iran.

In this connection I recall what I wrote to L'HUMANITE and L'HUMANITE-DIMANCHE from Washington in June 1978. Yes, I wrote then, "I am afraid when I sense more acutely in Europe the resurgence of those international tensions that one has tended to forget." I noted that Mr Carter declared himself ready to use "all necessary forces"--referring then to central Africa and Zaire particularly--on the pretext that the USSR was "violating" a "code of detente" which, according to Zbigniew Brzezinski, would require the maintenance of existing regimes, even racist regimes, and the indefinite continuation of neocolonial dictatorships. I recall from this that "interventionism is thus the officially stated doctrine."

Seven months later the shah was driven out of Iran. With his departure a major U.S. base in the Near East and southern Asia collapsed.

I believe these reminders indispensable in order to appreciate how fitting is the sound of marching boots now being orchestrated in Washington.

Just off the coast of Europe the ultraconservative British Government serves as an advance post. London is freezing relations with Moscow. For the moment they will go no higher than ambassador level.

Once upon a time such a decision would have been serious, but we are no longer in the Victorian era.

The British press now tries in vain, inspired by Mrs Thatcher's government, to call our country a "swindling jackal," and the French devotees of Major Thompson [French cartoon caricature of blimpish British officer] shrug their shoulders.

Less light-heartedly but more pertinently, de Gaulle considered England to be America's "Trojan horse" in Europe. Mrs Thatcher's conduct confirms the accuracy of that assessment.

The "saber-rattling" of Mr Carter and his London cronies confirms moreover imperialism's persistent aggressiveness and continuing wish to intervene, against "internal subversion" too, that is, against the peoples' aspiration to independence, democracy and social progress.

This wish is utterly contrary to the principles of peaceful coexistence, by which all peoples have the right to decide their political, economic and social future freely and without external interference. The Helsinki conference final document is perfectly clear on this, and Mr Carter's stated intentions take no account of it.

However, the world correlation of forces remains in favor of detente. Mr Chaban-Delmas took this into account when he stated, after his Moscow talks, that "all aspects of the international situation, including Afghanistan..., can and must be discussed consciously, that is, with the fullest understanding of the facts."

My worries 18 months ago in Washington were only too well founded, even if perhaps excessively expressed.

The call to vigilance is even more valid now. Imperialism is on the retreat but it has not given up. Stronger pressure must be exerted on it.

Peaceful coexistence is a battle, and France--we agree with Mr Chaban-Delmas--has a proper role to play in it.

CSO: 3100

ALL BUT LIBYA SEEN MINIMIZING CLASH IN TUNISIA

LD050947 Paris LE MONDE in French 1 Feb 80 p 1 LD

[Editorial: "Fear of Slipping"]

[Text] Even if the Tunisian authorities try to minimize the affair, the scale of the Gafsa attack and the means used exceed by far any local "incident." France realizes the extent of the danger by rapidly sending naval detachments to the waters of the threatened state. On a visit to Tunis in November 1975, Giscard d'Estaing said France "greatly values political stability in the Mediterranean and the independence and security of the states, especially with regard to Tunisia." Tunis now believes that this implicit commitment of support for a country whose army is weak and poorly equipped should be given military form.

Even though the Gafsa operation coincided with the anniversary of the tragic 1978 trade union riots and although, as far as is known, Tunisians formed the nucleus of the attackers, it seems that Libya organized the attack on a town experiencing serious social tension, thereby hoping to set off a process leading to the Tunisian regime's downfall. Al-Qadhdhafi has been training and equipping Tunisian dissidents for several years. He has never forgiven President Bourgiba for thwarting the 1974 merger which was the realization of one of his dreams. Apart from settling old scores, Gafsa fits into the broader plan of the mass president al-Sadat called "the madman of Tripoli."

It is, in fact, the Libyan leader's "greater Sahara plan" which explains both the overarming of his army and his often chaotic initiatives. Hoping to gain a foothold to the south of the great desert and in the neighboring states, he supported Idi Amin's Uganda dictatorship and Bokassa's Central African regime until their final rout. He is participating in the Chad crisis, where he has occupied scraps of territory since 1973. Similarly, he is trying to get a hold over the POLISARIO, where he has his supporters, and barely conceals his plans for the "greater Tuareg community," which implies dismembering Niger and Mali. A crisis in the Eastern Sahara, added to that in the west, would aid this policy.

The "regional" ambitions can only embarrass Algeria which, already involved with Morocco, clearly does not want Colonel Al-Qadhadhafi to tangle with Tunis. Algeria is paying for the ambiguity of its relations with Tripoli, whose ideological preferences it does not share and whose muddle-headed initiatives it fears, but elsewhere, within the steadfastness front, it totally supports Libya's opposition to "Zionism" and its U.S. and Egyptian "allies."

While the Afghan crisis aggravates tensions among Islamic states and leads them to greater reliance on their respective allies, the Gafsa affair introduces an added risk of confrontation to the Maghreb. Algeria is clearly resisting theis slide and France, for its part, intends to avert it by a show of strength.

With the present world confrontation, none of those involved can tolerate the downfall of an Arab ally through foreign military intervention.

CSO: 3100

OVERVIEW OF FRENCH FOREIGN POLICY, RELATIONS WITH AFRICA

Investments by Private Industry

Paris LE MONDE in French 18 Dec 79 pp 1, 7

[Article generally entitled "Cooperation Reviewed"; Part I by Patrice Claude: "Veiled Lobbying"]

[Text] France's African policy will be the subject of a statement by the government in the National Assembly on Wednesday, 19 December 1979. The presentation by Jean Francois-Poncet, minister of foreign affairs, will be followed by a debate which had been requested by the opposition parties and the RPR [Rally for the Republic] group.

During this debate in which Robert Galley, minister of cooperation, back from a 16 days' visit to Gabon, the Central African Republic, and Zaire will participate, in addition to the positive aspects of the cooperation program the latter's involvement with private interests will undoubtedly be examined.

In an inquiry whose publication we are starting, Patrice Claude looks at this dimension, not well known, of French-African relations.

By publicly enunciating for the first time on 9 February 1979 in Yaounde the principle of a "cooperation with reciprocal interests" between France and developing countries, President Valery Giscard d'Estaing in fact made an existing situation official. For a long time already cooperation, first in the eyes of Africans, had stopped being that "major humanitarian missions," that "exercise in international solidarity" mentioned in official speeches.

In October 1975 the publication of the report by Pierre Abelin, at that time French minister of cooperation, had initiated the turn and provoked

a sharp outcry among the latest supporters of a generous policy. The minister, with great candor, pleaded for a kind of solidarity of national cooperation policy with private interests. What point have we reached in this connection today? Those who comprise the "pro-African lobby"--an explicit barbarism--(major financial groups, banks, oil companies, commercial and industrial firms, study and consulting companies, businessmen of all kinds processing their activities in Black Africa) have won over part of the decision-making, assistance, and research organs set up for developing countries. But France is not the United States. Here lobbying is an operation that is more veiled.

In contrast to what the Abelin report advocated, FAC [Aid and Cooperation Fund] appears to be free from all private interference. It seems that the joint committees in which France and the African states hold seats continue to determine in complete sovereignty the projects and investments to be effected overseas. To be sure, the loans granted by FAC have been dropping steadily (502 million French francs in 1978 compared to 829 million in 1975). Consequently, these credits, which previously had made it possible to finance government constructions, schools, communications networks, or dams in Africa have become insufficient. World inflation and the growing magnitude of the projects now mandate international funding. FAC no longer intervenes except to finance studies and catalyze the inflow of capital. "If FAC gives its approval to such a project one can assume the risk," bankers still say. The comment, incidentally, is also applicable to the loans approved by the CCCE [Central Fund for Economic Cooperation]. The funding organ of FAC, the CCCE itself loaned 1.88 billion French francs in 1978 of which 79.4 percent went to African states and those in the Indian Ocean region.

A public entity under the jurisdiction of the Ministry of Economy and whose affirmed vocation is to be a "French institute for development assistance," the CCCE however increasingly resembles a completely traditional bank. To assert that private interests predominate in it would be highly exaggerated. However, if one went by the list of members of its supervisory council, one would be justified in raising some question. One finds at a glance the vice president general manager of the Compagnie des Chargeurs Reunis [Consolidated Shippers Company], a director of the Banque de Paris et des Pays-Bas [Bank of Paris and the Netherlands], the deputy director general of the Credit Agricole [Agricultural Bank], and the vice president of the international committee of the BNP [National Bank of Paris]. Incidentally, the last two belong to the nationalized sector. Similarly, should the motives of Michel Pebereau, official representative of the government in the CCCE, be questioned on the fallacious pretext that he is also a member of the board of directors of SOFMA [French Arms Equipment Company]? There, too, he represents the interests of the French Government. Finally, that the new president of the CCCE should hold his position in addition to those as acting director of the ELF-Aquitaine [Gasoline and Lubricants Company of France-Aquitaine] group and as director of the BNP has nothing shocking about it. One can only just wonder whether the presence of these "experts" does not partly underlie the measurable development of the policy pursued by this assistance organization. Since 1975 it has handled another "second

fund" for the benefit--it claims-- of the "most advanced African economies." Within 4 years some 30 operations of large scope and "good profitability" have thus been financed for 1.8 billion French francs. Interest terms are close to those of the market, the advantage for the borrowing countries residing in long deadline extensions made available by the Central Fund, which avoids accumulation of short-term debts.

"Nonprofit Organization"

Intervening in all the economic fields of the countries concerned but mainly in the productive sectors (accounting for approximately two-thirds of the approved credits) the CCCE has, for example, loaned 120 million francs to SONARA [National (Oil) Refining Company of Cameroon]. Thanks to this amount augmented by large loans from the shareholders of SONARA itself (CFP [French Petroleum Company], ELF-Aquitaine, Shell Oil, Mobil Oil, and the Cameroonian Government), the country will soon have available a refinery able to handle 1.5 million tons [of oil]. Similarly, thanks in part to the 130 million francs loaned by the CCCE, the necessary expansion of the plant of ALUCAM [Cameroonian Aluminum Company] (an affiliate of the Pechiney-Ugine-Kuhlmann group in which the latter holds a 57.73 percent interest) will be possible. This expansion, which represents a twofold increase in the production capacity of aluminum, is of "vital importance" for the country. ALUCAM which unquestionably consumes 70 percent of the electric power produced in Cameroon continues to be that country's leading exporter (9 billion CFA francs' worth in 1978). For firms such as the latter the African countries are consumers. The dream of the "little smoking factory which earns billions" is very well maintained.

It is, among others, this type of message which "nonprofit organizations" such as the Club of Dakar try to bring home. The idea of this "club," which is not a "secret society," was born in 1972 in the mind of M.T. Diawara, at that time minister of planning of the Ivory Coast, during a colloquy held in Dakar on the industrialization of Africa. Its primary goal: "To make proposals to governments and officials in economic and social departments on the most sensitive points of the relations between industrial and developing countries." This is a noble mission. The Club of Dakar which calls itself "an independent place where individuals who represent only themselves can think and make themselves heard," organized a meeting in June 1977 involving eight African government delegations and some 100 French industrialists and another meeting in June 1979 in Lyons with 12 African representations and 150 French enterprises among the registrants. There is no doubt that the discussions were fruitful. The members of the Club of Dakar are worthy individuals. Besides Edgar Faure, Jean-Pierre Fourcade, and Olivier Guichard, one finds a director of the BSN-Gervais-Danone group, the honorary president of ELF-Aquitaine, the adviser of the president of the Banque de Paris et des Pays-Bas, the president of SCOA [West African Trading Company], that of PETROFIGAZ, that of the Optorg Company, the director of international trade of Pechiney-Ugine-Kuhlmann, and so on. M.T. Diawara, who is no longer a minister but the lucky president of a consulting company,

PROMOCI, which dispenses its services--but against a fee this time--to African governments, is a man who seems satisfied with his work. His ideas, opposed to the "self-centered" development recommended by President Ahmadou Ahidjo of Cameroon among others, are making headway. Naturally, "the example of Iran has shown that frantic industrialization, brought about in a climate of unhealthy interventionism, leads to violent rejection and destructive explosion." This is a bad business. It is better to plan, to organize all this.

Another "nonprofit" association was furthermore established for that purpose in April 1979. OTECI [Technical Studies and International Cooperation Office] has as its declared purpose of constitute an "assistance organ of cohesion, coordination, and industrial promotion of the developing countries." Presented officially to the states concerned at the time of a colloquy on technology transfers held in Amman in May 1979, OTECI has hardly been a hit. That is why it requested a few operating credits from the French Ministry of Cooperation where, it should be added, it met a polite rejection.

The cooperation budget has increased by perhaps 16.7 percent for 1980 but it still represents less than 0.8 percent of the French Government's total budget. OTECI really had no chance to get any funds there. First, because it is felt at the ministry that with such prestigious sponsors--the Rhone-Poulenc group, the French Foreign Trade Bank, Alsthom-Atlantique, the Coal Company of France, and the UTA [Air Transportation Union]--"this organ does not need public funds to survive." Then, because one of the tasks which OTECI set for itself, namely, "to add the PME's [Small- and Medium-Size Enterprises] to the major firms in developing countries and to proceed jointly in investments there," is already in part filled by another "nonprofit organization," no less!

CEPIA [French Center of Industrial Promotion] was established in September 1972 by Paul Huvelin (former president of the CNPF [National Council of French Employers]) "to respond to the appeal of President Georges Pompidou" who wished "to sensitize French industrialists to the problems of development of African countries." His slogan was: "To develop increasingly greater industrial cooperation more imbued with mutual understanding."

Is it because of its relative seniority or its reputation of being earnest? At any rate, CEPIA on its part has managed to have the Ministry of Cooperation finance 40 percent of its operating budget. It is impossible to be more precise for the list of members as well as the budget in question cannot be released. But let the Africans be reassured: CEPIA is made up only of serious people. At its head office we were even told that its relations with the CCCE were excellent "thanks to the friendly presence of several directors." And them, if there remained the slightest doubt about the credibility of this organ, would the "office of economic and commercial promotion" of the Ministry of Cooperation rely on it for its endeavor of industrial promotion in Black Africa? Certainly not. For the entire handsome building set up on the Rue Monsieur [street] to enable French PME's to get a foothold in the African market is dependent on CEPIA.

In broad terms here is how the system which is still at the stage of trial and error will function.

In Africa a VSN [National Service Volunteer] is charged with identifying possible projects and sound local small- and medium-size enterprises. Five of them have already been appointed in as many different countries. Equipped with transportation means and a secretariat service, the VSN gives an account of his discoveries to the commercial attache of the embassy to whom he reports. He can also directly contact the Ministry of Cooperation or the Secretariat of State for Small- and Medium-Size Industries which, naturally, is an interested party in the case. The information collected is duly checked and transmitted to the chambers of commerce, the DREE [Directorate of Foreign Economic Relations], and to PROPARCO, an affiliate of the CCCE specifically charged with "facilitating the transfer of French technology to PME's to be established in developing countries."

With a capital of 10 million French francs PROPARCO can either assume minority interests in the small enterprises involved or facilitate the financing of joint ventures between African and French companies. This is where CEPIA becomes involved. In constant touch with the chambers of commerce, the CNPF, the Ministry of Cooperation, and the Secretariat of State for PME's, CEPIA, alerted by the VSN whom it helps from time to time by undertaking crash projects in Africa, is charged with selecting appropriat French partners. The terms are very rigorous. "No sick outfits in our fish-pond. To roll with the punches in Africa it is necessary to be in top shape." Those French industrialists who may wish to set up shop overseas "to regain their health" lost on the difficult French market have no chance whatever.

"The cooperator enterprise," as the organization on Rue Monsieur is called, represents the future. And it is too bad about the "confusion of styles" denounced by its detractors.

"Without the assistance and approval of the French Government the cooperator industrial enterprise has no chance to become a reality," Jean-Paul Gardinier wrote back in 1977 in a book judiciously entitled "The Industrial Wager in Africa."* The vice president of CEPIA, who is also the president of SOPROGI [Company for Industrial Promotion and Management] and director general of SODALCO [Company for Industrial and Commercial Development with Latin America], can be satisfied. His ideas have progressed.

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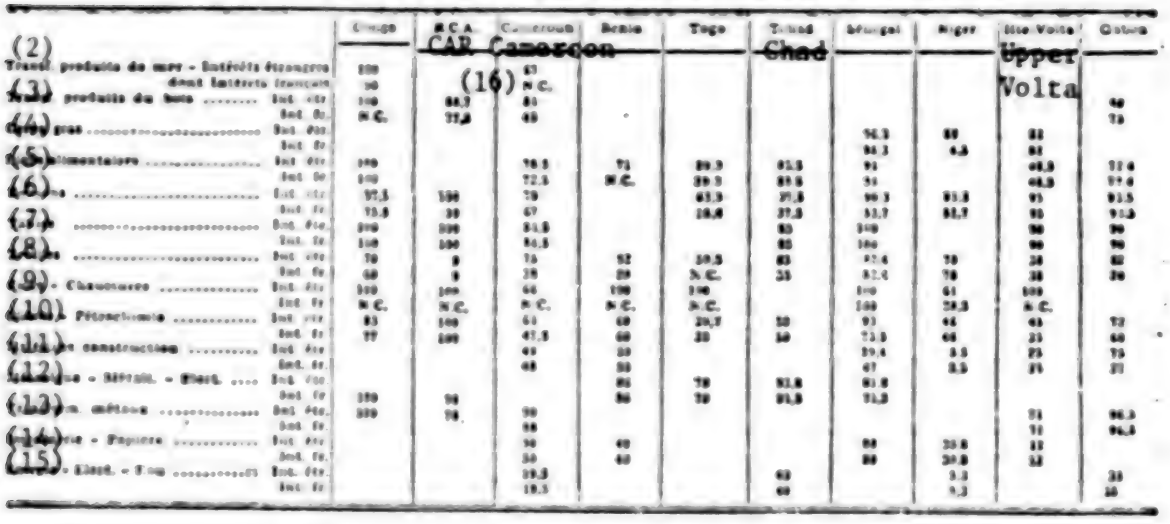
*Editions France-Empire [publisher].

(1) PART DES INTÉRÊTS ÉTRANGERS ET FRANÇAIS (en %) DANS L'INDUSTRIE DE TRANSFORMATION DE DIX PAYS AFRICAINS



KEY:

(1) Share of foreign and French interests (expressed in percentages) in the processing industries of 10 African countries.
(2) Processing of sea products--foreign interests of which French interests.
(3) Processing of lumber products.
(4) Fatty substances.
(5) Food products.
(6) Beverages.
(7) Tobacco.
(8) Textiles.
(9) Leathers and footwear.
(10) Chemicals and petrochemicals.
(11) Construction materials.
(12) Mechanical, metallurgical, and electrical products.
(13) Metal processing.
(14) Printing and paper products.
(15) Energy, electric power, and water.
(16) Figure not available.

This table was drawn up from data provided in the special issue of the "Bulletin of Black Africa" (Ediafric-la Documentation africaine [publishers]). It involves only processing industries. It is perhaps necessary to recall that the banking, oil, mining, and marketing operations of these countries are also dominated by French interests to a large extent.

Africanization of French Interests

Paris LE MONDE in French 19 Dec 79 p 12

[Part II by Patrice Claude: "A Reserved Domain"]

[Text] In an initial article (LE MONDE of 18 December) Patrice Claude tried to clarify the links between the French cooperation program and the business world. Today he describes the methods of penetration of African governments by "French interests."

About 150,000 Frenchmen (including 11,000 cooperative program personnel) are known to live and work in French-speacking Black Africa on a regular basis. For many Africans and for some "enlightened" ambassadors this population, more numerous than at the time of the colonies and who hold the essence of economic power, must cease to increase for otherwise reactions of rejection, at times xenophobic and sometimes justified, in some African circles vis-a-vis whites could become crystallized.

This opinion, shared by the moderate African intellectuals whom we have met, is far from unanimous within the French community. While from Paris government offices in touch with business circles strive to plan and order the strengthening of France's economic presence overseas, an effective logistics is established in the field which still has to be won.

But France does not have available a powerful network of multinational corporations like the United States. Its large commercial companies like the CFAO [French Company of West Africa], SCOA, or the Optorg Company do not have the effectiveness and reputation of their German counterparts. Additionally, they have their own problems of reconversion and diversification to settle and do not always look kindly on the arrival of new entrants in a hunting preserve that was almost exclusively reserved to them in the past 40 years. Neither does France have those superb exporting machines which the integrated Japanese trusts represent. Its banking and financial network has made enormous progress during the past few years but the British continue to be the "big shots" in this sector. In order nevertheless to conserve and increase their share of the "African pie," French interests die not therefore have other means than to rely on the commercial and cultural services of embassies and technical cooperation missions (even military ones for sales of weapons).

The assistance of these officials is all the more valuable as their bosses very often hail from the French colonial administration. On this score they know the possibilities perfectly well and also the functioning and leaders with whom they have known how to create--with history helping--privileged relations. When the president of Gabon, El Hadj Omar Bongo, officially declared to Mr Delaunay, ambassador of France in Libreville for 11 years:

"For us you have been more Gabon's ambassador to France," that was not the result of happenstance. Mr Delauney, whom Africans used to call the viceroy of Gabon, has since become the president of COMUF [Franceville Uranium Mining Company]. At the head of that company (which produced 1,100 tons of uranium-metal in 1979) it is not known whether he represents the Gabonese Government (which holds 25 percent of the capital), the Mokta Company (28 percent), or the CEA [French Atomic Energy Commission] (19 percent). He continues to be at any rate a personal friend of President Bongo. The same is true of his very recent successor at the French embassy, Mr Robert (see the article by Jacques Isnard below).

In order to promote their plans, long-established major companies have made use of their own connections. In exchange for his friendly welcome in the firm of a relative or friend, and such a senior African official will know at the right time "how to send the elevator back." Another example: An ineffective customs service can allow discreet imports and exports of products normally subjected to taxation. This was the case of the importer who used to bring in Laurent Perier champagne by mentioning on his customs declaration that his shipment contained carbonated water of the same name. On its part money does not have to take parallel routes to take shelter in the coffers of metropolitan France. The franc zone to which 11 African countries belong* makes possible in fact the legal repatriation of all profits to France.

A Parallel Hierarchy

In order to protect themselves against abuses of all kinds, the French-speaking African states have undertaken extensive reorganization of their public administrations. But the insufficiency of native technicians prompted them to call on French advisers. The Ministry of Cooperation has thus, upon request, loaned them specialists of all kinds: An agronomist for one Ministry of Agriculture, two or three financial experts for a Ministry of Economy, one director of planning for a Ministry of Planning, two or three personnel advisers for an Office of the President, and so on. A genuine parallel hierarchy has thus been instituted in the organs of the African states. Its degree of effectiveness naturally varies according to the countries involved. In Gabon where they are incidentally very numerous, the advisers were unable to prevent the corruption of investments in 1977 and 1978, which led the country to the edge of bankruptcy. Fortunately, today the situation has been largely corrected. A French inspector of finance belonging to the CCCE comes once a month to oversee the smooth evolution of the "stabilization plan" set up by other French experts.

But how was that state of affairs reached? "Oil (exploited to the extent of 70 percent by ELF-Gabon, a veritable state within a state, an affiliate of the French group of the same name) went to their heads," an embassy official explained. Could the advisers not calm down all that, help a government select

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*Besides France the following belong to the franc zone: Cameroon, Ivory Coast, Congo, Gabon, Upper Volta, Mali, Niger, Senegal, Chad, Togo, and the Central African Republic.

its investments, persuade it that not everything had to be done simultaneously? "First, the ministers who at times have a personal vested interest for such or such a project to materialize do not always listen to their advisers. Then, they are constantly under such pressures emanating simultaneously from Paris, the embassies, and private firms....

"As far as compromise with private interests is concerned, look at the matter more from the viewpoint of the advisers, also private," an "expert" on loan from the French Ministry of Cooperation said. "Consulting firms" have indeed proliferated in the past 10 years. Some of them are temporary and disappear once their "job" is done. Others, affiliates of banks or enterprises, continue to be very active. What are they doing? Studies, naturally, but also organization, even reorganization. A private group such as CEGOS [Committee for General Studies of Scientific Management] has, in the past few years, participated in the improvement of public financial management and assisted the take-off of the economy in Gabon, established an accounting system for the port of Douala in Cameroon, and even submitted a plan (approved) for the organization of the general secretariat of the Office of the Cameroonian President. Why do African governments not turn to advisers who are cooperation program personnel for this kind of assignment? "Because there aren't enough for us," said one of them. "Because governments distrust you," a "private" expert reported.

The concentration of public and private advisers in the majority of government departments of French-speaking Africa also facilitates contacts with local French firms. Naturally, the ethics in the profession prevents the advisers from taking advantage of their position to favor such or such a project. The governments which employ them dissuade them, even firmly, from having any contacts with businessmen. But among the latter those who pride themselves on having been awarded a contract thanks to such and such an adviser of the Ministry of Planning or the Ministry of Public Works are not rare. In general they are "temporary" personnel. The others, those who live in the foreign country and plan to stay there, are much more circumspect in their respect. When a team of advisers is determined to reorganize the market of the Ivory Coast, for example, this can hinder considerably a French shipping company.

"Africanization" of Cadres

To fight the at times "harmful" activity of this army of advisers, French industrialists living in African countries have tried to become consolidated and to hire their own specialists. Whether what is involved in GICAM [Interprofessional Grouping of Cameroon] or UNIGABON [Interoccupational Union of Gabon] in Libreville, their method of organization is very reminiscent of that of the CNPF with which they entertain, incidentally, some "ties of friendship." Like their French model, these employers' aassociations have frequent consultations with the African governments.

What is being discussed in the "expanded interministerial committees in the private sector"? Very serious and very complete economic sectoral reports

are first discussed and commented upon. Then comes the time to settle more specific problems. The tax specialist of the employers' association will ask, for example, that "thought be given to the intolerable situation" existing in public works or mechanical enterprises. Another will complain of the "unbearable" increase in the price of electric power necessary for his firm, and so on. Then, if the matter is on the agenda in the country in question, there will be discussion of the touchy problem of the "Africanization" of cadres which has been on the agenda for the past 20 years in Africa. The ministers will complain that the development seems too slow to them. The heads of firms will answer that they are doing what they can. And that is often true. But no one on the whole seems very pressed in this regard. In Cameroon, for example, a "committee of Camroonization of employment" was established in 1975. It met for the first time on 11 July 1979. And it is only in a document dated 5 September 1979 that the Ministry of Economy and Planning made known to the industrialists its plan in the field, a plan drawn up, incidentally, by a French expert. But one big boss in Yaounde believes that "a good Africanization of cadres" should first witness an "increase of the white presence." That is certainly not the opinion of the young African populations who are impatient to join firms. Besides, to be fair, one should note that this evaluation is not shared either by all French heads of enterprises in this part of the world. Many and not the least important ones at that have significantly reduced the number of their European cadres in the interest of young Afri ans freshly graduated from French universities--in order to obey government regulations, admittedly. But also, "even if it means a slight drop in productivity," to insure against possible political turmoil. "One never knows; my 'personnel chief' can one day become a very highly-placed official," the owner of a foundry said ironically. It is at times the Paris head offices of the large firms themselves which argue for a speedup of the Africanization policy. "Expatriate French cadres cost a lot for the company," officials assert at Pechiney-Ugine-Kuhlmann.

As regards the other major warhorse of some governments, the "Africanization of capital," that is another story. Several countries such as Gabon, Cameroon, and Ivory Coast directly compel the newly established companies to transfer to them 10, 20, even 40 percent of their capital. "That is a mistake," an international financial expert opined. "Africans can use their funds for more useful purposes. To secure a seat as observer on the boards of directors of firms and oversee what is going on, it would be enough for them to acquire 5 percent of the shares." This opinion is generally shared by the firms concerned.

"The transition from productive colonization to colonization through the control of development would respond in part to the pressure of African elites," J.-F. Bayard wrote in a book published recently.* "At the initial stage," he added, (this transition) "had appeared as a victory over the colonial power." What is the situation today?

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*"The State in Cameroon," National Political Science Foundation Press, [n.d., n.p.].

Military Intervention Policy

Paris LE MONDE in French 20 Dec 79 p 7

[Part 3 by Jacques Isnard: "The Policy of the Jaguar"]

> [Text] After Patrice Claude analyzed the tie-in between the French-African cooperation program and private interests (see LE MONDE of 18 and 19 December 1979), Jacques Isnard describes below the various aspects of the policy of [French] military intervention on the African continent.

At the close of 1976 when six Jaguar aircraft took off from France for the Ivory Coast where they were scheduled to participate in maneuvers and show their colors--as is said of a warship which criss-corsses the seas to display the flag--few observers paid any attention to this seemingly harmless exercise. In reality the French Ministry of Defense is beginning to get seriously concerned about the degradation and "destabilization" that it finds in the Francophone countries of Black Africa where 260,000 citizens from metropolitan France live on a permanent basis.

On loan from the tactical air force whose mission is to back the French battle corps if it became engaged on the European front, these aircraft were to be tested on a theater of operations--Africa--for which they had not been planned originally. They were to return from the Ivory Coast and be based in Senegal some time after having learned the lessons of their possible adaptation to their new foreign missions. The "policy of the Jaguar," as it subsequently came to be called, had been born.

In the meantime the French navy discovered that its antisubmarine aircraft, the Breguet-Atlantic, conceived to track down submarines in the expenses of the ocean, was becoming without too many changes an observation and long-range guidance plane for air-and-land operations in the big wide open spaces of the African desert.

It is known since then that such a twosome, hardly orthodox at the start, the Jaguar and Breguet-Atlantic, became almost the symbol of that French task force sent by the head of state at the request of local leaders in Mauritania and Chad while another plane of the French air force, the Transall--it, too, initially slated for the northeastern front of Europe--was given an account of itself in Zaire and the Central African Republic by transporting paratroopers.

The concern of the Ministry of Defense originated from a series of findings. While there exists between France and Africa a set of links based on history, geography, and the complementarity of their economies, a climate of instability has gradually settled on the African continent which in the long run threatens France's security and involves its responsibility vis-a-vis the new states with which it signed military agreements guaranteeing their independence.

Often underprivileged but harboring designs because of their ill-exploited potential resources and torn by ethnic quarrels fanned by the artificial configuration of their borders, these young countries have been prematurely involved, at times against their wishes or their interest, in the political and ideological competition which divides the world. Influences foreign to the African tradition have disturbed the course of the relations that these new states, made fragile by a long period of colonization, tried to reinstate with their former mother countries.

If one goes by Western intelligence services, some 41,000 military personnel from Cuba and Eastern Europe as well as 500 Chinese military personnel may be stationed today in the sub-Saharan regions of Africa. While the Chinese are more particularly scattered in Zambia and Somalia, the bulk of the contingents originating from the communist countries is provided by Cuba (37,000 men), the balance beind made up half by Soviets and the other half by personnel from the socialist states of Eastern Europe, especially those from East Germany who surfaced in 1973 for the first time.

To these estimates of military personnel, which change according to political conditions, one should add in the African countries concerned without thereby altering significantly the total number committed from one year to the next the advisers and civilian experts summoned because of their technical competences. This presence has been noted to date in 23 different African countries and reportedly totals about 37,000 cooperation program assistants among whom are 18,000 Cubans, 11,000 Chinese, and 7,500 Soviets.

Four Goals

It is essentially those countries where one already notes a high concentration of military personnel which resort most often to civilian technicians at the same time. In contrast China exercises in this part of the world in the last analysis only a fairly modest influence--in the hope of checking the Soviet presence there--by shipping primarily light arms and by loaning a few instructors.

Because "France has numerous friends in Africa who trust it and expect that Paris will help them assert their recently acquired independence, to become more developed economically, and to guarantee their own security," to quote the words of the chief of staff of the French armed forces, Gen Guy Mery, a military arrangement involving presence and intervention has been planned beside the diplomatic, economic, or cultural relations with the African continent.

Such an arrangement involving the various branches of the armed forces meets four essential goals: (1) To participate in military and technical assistance activities at the request of African governments; (2) to guarantee the French presence linked to economic changes and to protect French citizens working overseas; (3) to insure the security of the nerve centers (air and maritime bases, logistical bases) which would make possible the accommodation of possible reinforcements; and (4) to meet aggression limited in time and space.

From a legal viewpoint the existence of this arrangement rests on the conclusion of agreements on military assistance, cooperation, or technical assistance and defense agreements with Senegal, Ivory Coast, Gabon, and Djibouti accompanied by the presence of French units on the territory of the signatory countries and the granting of certain military facilities. On the whole France maintains 1,500 military technical assistants in Africa. It receives 2,800 African trainees in its military schools and maintains on a permanent basis at its local support points some 8,000 cadres and recruits who could be augmented, should the case arise, by reinforcement by the 11th Paratroop Division stationed in southwestern France and the 9th Naval Infantry Division in Brittany, both supported by the navy and the air force.

To this more or less operational setup it is appropriate to add the supplying by France to its African clientele of military equipment, often accompanied by their logistical support missions and at times requisitioned from orders or stocks of the French army.

The latest French military task force missions have had as a result to disclose how well this setup is manned currently with reference to what is still expected of it and how much it risks at the same time reaching its limits one day should the adversary change tactics and improve his resources.

Two comments--one of a political nature and the other of a technical order--will make it possible to illustrate these risks of the future.

1. Because these crises are generally sudden and call for a diplomatic-military manuever led directly by the head of state with a maximum of discretion, any decision to commit forces overseas, even for an urgent mission, excludes previous consultation of parliament, the only body qualified to authorize the disptach to the front of French detachments including draftees from the nonvoluntary contingent.

It is easy to see, under such conditions, that the French army should be irresistably attracted by the professionalization of an entity specialized in foreign intervention whose formation, under way, makes the principle of conscription on which it continues to be based unsuitable.

2. Because it has shunned the benefits of bases abroad--which are always precarious--France seeks a maximum of facilities in Africa--military of every kind--in order to station limited forces there but ready for an initial engagement during the time it takes to ship units from metropolitan France to reinforce them. This setup, less elaborate than a world network of fixed and expensive bases, requires full title to and free use of modern transportation and communications facilities.

Now, it is precisely in this manner that France has been seeking its chosen tactic. The operation of May 1978, code-named Bonite, in Kolwezi, Zaire, was made possible by the professional efficiency of the 2nd Foreign Legion Paratroop Regiment of Col Philippe Erulin as much as, or nearly as much as

by the free transport of its logistics by giant United States cargo aircraft from which France benefitted or by the location of transmission circuits on United States telecommunications satellites.

To those who stress these lacks, General Mery retorts: "It goes without saying that some improvements are still to be sought in the field of mobility, autonomy, and diversification."

But beyond these necessary adjustments of the military option at the disposal of the head of state a question remains as to the possible escalation of a policy of armed intervention on a continent where threats can, at some point, exceed France's action capabilities. Nevertheless, it is to be thought that this possibility has been foreseen at the general staff since the latter has decided to form by next summer a half-brigade of motorized task force more heavily equipped than the light units of the 11th Paratroop Division or the 9th Naval Infantry Division are now--as if there was already preparation to face some day in Africa adversaries who are constantly better armed and of whom there is every reason to believe that they will receive constantly more offensive-ready and improved military equipment from their allies.

Two Scenarios

How much longer will the balance of forces be in France's favor, that is, be compatible with a commitment limited in magnitude, space, and duration? The arms race does not spare the countries of Africa and threats will very likely assume new forms there, more accentuated or contrariwise shrewder so that the general staffs will have to re-examine their crisis scenarios and the organization of forces adapted to these different contingencies unless the political authority deems it preferable in some cases to abstain if it finds that the stake exceeds its military capabilities.

Two examples come very naturally to mind depending on whether a given action, planned by France to assist an attacked country, is on the point of being launched or whether when the intervention action has been completed with success Paris should decide to leave behind on the scene temporarily a security detachment at the request of the allied state assisted in this manner.

In the first case it is possible to imagine that the "rebels" derive profit from their aggression, momentarily successfuly, by requesting a third country which supports them against the regime in office, assisted by France but outflanked from the start of the fighting, and install in short order forces supposed to oppose the landing of French units. In other words, should France decide to attack this third country with which it maintains normal relations if the latter came to lend its aircraft to dissidents? Would it, for example, try to destroy on the ground aircraft based on landing fields taken by the "rebels" or would it give up all intervention in favor of measures related to indirect deterrence?

The second scenario is just as embarrassing. If it happened that by falling back in front of a French task force or better, that by hiding among the population during the time that it takes to be forgotten, the aggressors of an African country should suddenly take French soldiers as hostages, how would Paris react? Through negotiations? With force? Through the "good offices" of the assisted country? In any case, discredit would be thrown on the undertaking.

Such possibilities should not be ignored. The air threat in Africa just like a threat by armored units will not remain at the level where it is today. And the case of United States diplomats in Tehran shows that no one is definitely secure from retaliation.

In the absence of a real North-South dialog which involves examining the problems of international security, France has few chances of seeing the other European countries--to which it has proposed to outline a solidarity pact with the African continent--collectively assume in short order a policy of economic, financial, and--why not?--military aid to Black Africa.

In the military domain it is still possible to try an opening in the direction of a new style of cooperation that would place more stress on the training of personnel, career cadres, arms technicians and specialists, and on the supply of only the indispensable materiel for the legitimate security needs of young states rather than to have to answer each call for assistance at the risk of becoming involved in expeditions to restore order which would be very reminiscent of the misadventures of the colonial period.

France can still hope to have the means to extinguish some bruch fires but, alone, it no longer has the capability of preventing the African continent from becoming, after Asia and the Middle East, a battlefield too close to its borders.

2662
CSO: 3100

ICELANDAIR, COUNTRY'S LARGEST COMPANY, IN TROUBLE

Employees To Be Laid Off

Reykjavik MORGUNBLADID in Icelandic 29 Dec 79 p 2

[Text] Icelandair has decided to layoff 135 of its employees next year and the layoffs will take effect 1 April. It has been decided to reduce flights over the north Atlantic still more than planned. Thus flights via Iceland will be reduced below what was planned in drafts of the summer schedule and two aircraft will be on the sale list also, a Boeing 727 and a DC-8. Only two jets will be required for service between Europe and the United States.

Icelandair now has one DC-10, three DC-8's and two Boeing 727's. A Boeing 727 and a DC-8 have been placed on the sale list and delivery of a new Boeing 727 is planned for May. The sale revenue for the two aircraft is, to some extent, needed for this reequipment and to set the company on an even keel financially. It is planned that two jets, a DC-10 and a DC-8, or two DC-8's will be needed for service between Europe and the United States and the third aircraft will either be sold or leased out. One DC-8 is now leased to Cargolux and the other Boeing in Guatamala.

This has also had its effect on the drafts of the company's summer schedule and a reduction, to some degree, of service via Iceland, between Europe and the United States, had been planned there and it was to be five to six times a week, but it is clear now that it will be still less. The summer schedule is now being revised and it will be clear after the beginning of the new year how it will be arranged.

It was stated in a news release from Icelandair yesterday, among other things, that: "By midyear it was clear that operations of Icelandair would be difficult during the year and that there was danger unless change was made in the service policy of the company. The main reasons for the difficulties are threefold: fast increasing fuel costs, an altered policy on the part of the United States Government in aviation matters and wild competition of airlines on the north Atlantic routes. The situation now is that, generally, all flights in the north Atlantic

are operated at a deficit and no change for the better is foreseen. The company is therefore forced to take grim defensive measures and as a part of this operations have been reduced in many areas. Last 1 July around 200 employees were laid off and measures were taken towards reducing employment abroad also. In spite of these defensive measures the situation was worsened and the company is now forced to still more retrenchments, coordinated economies and restraint in all areas."

In addition to four laid off before, 135 employees have been laid off: 24 copilots and 16 flight engineers, who have flown DC-8's, 52 stewardesses, 12 aircraft mechanics (in addition to four laid off before); 31 employees were laid off at the Keflavik Airport and in question are people of various specialties at the field. In connection with these layoffs the employment of the company abroad will also be reduced.

As stated before, the flying personnel are all copilots, some with as much as 16 years of service, all members of the Airline Flying Personnel Union. There are more than 100 members of the Airline Stewardesses' Union and almost half are losing their employment as stewardesses.

Sveinn Saemundsson said that these measures were taken due to the general pinch in aviation which, among other things, has resulted from a many fold increase in oil prices and wild competition and low fares. Sveinn Saemundsson said that many airlines in the United States were in a pinch and many were pulling back on account of operating difficulty due, in addition to oil prices, to an altered policy of the United States Government in fare matters to allow increased free competition.

In conclusion it was said in the Icelandair news release that: "These layoffs and changes in operations which are now being undertaken are unavoidable. The management of the company and other administrators regret very much the need to undertake such grim measures as noted above."

Union Leader Comments

Reykjavik MORGUNBLADID in Icelandic 30 Dec 79 p 2

[Text] "We have objected before and we do so still that the Atlantic service is such a great hindrance in Icelandair operations and is given up," said Baldur Oddsson, a pilot and also chairman of the Airline Flying Personnel Union, in a conversation yesterday with MORGUNBLADID when he was asked his views on the latest layoffs of Icelandair which affect workers from the Loftleidir arm of the union in particular.

Baldur Oddsson stated clearly that after the number of seats decrease for the service in question, with the superstructure that exists in the organization, each seat will be more costly for the company. The booking system and other things will be very expensive and will be proportionally more expensive according to the decrease in the number of seats. He said

that there is no question that there are more fares on the market for the Europe-United States service than Icelandair has accommodated in the past years and it may be pointed out, in this connection, that there are long lines of people in the summer which cannot be accommodated since Icelandair aircraft are filled on this route. Loftleidir flying personnel could point to this and many other things but they do not wish to make any pretensions, in this connection, since it is not theirs to manage the company.

Bladur Oddsson said, on the other hand, that he was in agreement with the company on the seniority list and how people were to be laid off, if it came to that. But it appears, on the other hand, to be the policy of the company, after the conclusion of the consolidation, that all layoffs are directed at the Loftleidir arm. "We are of the opinion that everything called Loftleidir is to be rooted out," said Baldur Oddsson, "and the reason for this I read in 'Oldinn Okkar' [Our Times], where the speech of Arnar Johnsen supporting the consolidation of the airlines is discussed. In this connection it may be recalled that we were called together during the summer on account of reductions in domestic service and notified that layoffs were under discussion for Loftleidir personnel on the grounds that the company had no choice but to layoff from both wings after the consolidation. But it seems that there is something else in the works and the company sees itself in the position to layoff Loftleidir personnel alone." Baldur Oddsson said that flying personnel must certainly consider how to respond to the deception now that the prospects are actually that the Loftleidir arm of Icelandair will come to an end. Many families have had their livelihood in this service and employment abroad is uncertain, even if people wish to emigrate. "But it is clear, in our judgment," said Baldur Oddsson, "that the consolidation of airlines is one of the most unsuccessful undertakings that has ever been carried out in the history of Icelandair aviation. We are convinced that if the consolidation had not taken place the situation would be better than it is today. There seem to be in motion forces which do not work well for the operations of Icelandair, but it has long been clear that the Loftleidir name, and everything connected with it, will disappear and this is, in fact, what is happening." Baldur Oddsson said in conclusion that Loftleidir flying personnel were all in favor of extending the company a helping hand in difficult times and it could be mentioned, in this connection, that they now fly without a crew change on the route Luxemberg-Baltimore-Chicago, which is a trip of 11 hours, just in the air, in addition to other time.

Erna Fridfinnsdottir, one of the directors of the Icelandic Airline Stewardesses' Union, said yesterday, in a conversation with MORGUNBLADID, that the governing body of the union had not come together to discuss the layoffs and some members of the governing body were abroad and would return, it was expected, during the weekend. Erna Fridfinnsdottir was unwilling to discuss the matter before the governing body meets. Fifty-two stewardesses have been laid off now and 80 stewardesses have been laid off by Icelandair since the middle of the year and that is about half the membership of the Airline Stewardesses Union.

11,433
CSO: 3111

PCI'S INGRAO INTERVIEWED ON AFGHANISTAN

Rome RINASCITA in Italian 25 Jan 80 pp 3-5

[Interview with Pietro Ingrao by Massimo De Angelis: "The Italian Communist Party, Peace, and Internationalism"]

[Text] Interview with Pietro Ingrao on the problems being discussed within the party after the intervention of the USSR in Afghanistan. It is necessary to come to grips with the full significance of the discussion now in progress within the party. In condemning Soviet intervention in Afghanistan we referred to some questions of principle tied to the basic demands of our time. It would be serious if the role of the USSR in support of peace and detente were to be obscured and confused. Risks of growing militarization of political dialectics. Extremist views now on rise in American foreign policy. But has the "Vietnam complex" really been overcome? Role played by bipolarism and growth of multipolar world.

[Question] Our party has chosen to assume an important role in terms of initiative in the current grave situation in international relations. Berlinguer's speech at Strasbourg which followed the resolution passed by the directorate, our condemnation of Soviet intervention in Afghanistan coupled with a request to withdraw the troops and the invitation for a rapid and autonomous initiative by Europe in support of detente and peace, the initiatives which the party secretary in other words indicated in his speech on Sunday at Terni show the direction in which the PCI [Italian Communist Party] intends to move. These are complex positions and initiatives calling for a strong commitment regarding the international scenario. It is now important for us to ask ourselves how the party is going to discuss such issues, what the agreement or dissent might be on those issues, because it is today more than ever before necessary for us to have a clear orientation within which our initiative can be fully developed.

[Answer] First of all we must manage to grasp the full scope of the discussion now in progress within the party and we must thoroughly come to grips with the objections, the reservations, and the questions. There are problems involved here which raise some basic questions regarding our strategy: no matter how bitter and unpleasant it may be, we must take this "opportunity" (if you will excuse the expression) in order to take a step forward in our understanding of what is happening throughout the world. We all say that we are convinced of the danger inherent in the situation and we are using grave terms; now we must make sure that our initiative will be up to the words we are using. But people cannot be mobilized if one does not supply profound, ideal and tactical reasons for our attitude and the potential which it contains. This is why we need an open and full discussion also on what happened in Afghanistan.

[Question] Even though we know that there are forces that are immediately ready to speculate.

[Answer] For them we have a very simple answer: we are a living force, a mass party which thoroughly discusses the decisive issues. And this contains further proof that it would be wrong for us to fall in line with a political bureaucracy, with the political jobbers. It would indeed be important for the other political organizations also fully to discuss these issues! This is why our discussions must be part of a debate which we must extend throughout the country, with us holding the initiative.

[Question] Let us start with what we said about Soviet intervention in Afghanistan. We condemned it above all because it violates the principles of independence and national sovereignty.

[Answer] Let me be specific. Raising questions of principle again does not mean engaging in abstract moralism; instead it means going back to the basic requirements of our times which are greater than ever before. If this means a return to a logic of retaliation and military intervention in the life of the other countries, then the mad race toward a nuclear war will be fearfully accelerated.

[Question] But we cannot overlook the fact that, in our discussions, there are those who will abstractly--that is to say, without any specific analysis of the situation--come out against intervention and there will be those who, in a rather abstract fashion, will perhaps be in favor of it.

[Answer] That is precisely it. There are comrades who reason as follows regarding Soviet intervention in Afghanistan: "The world today is divided into two camps; one cannot be neutral; one has to choose sides; even though we may not like it, we are with the camp of the socialist countries." Well, I primarily object that this is not a realistic position. It seems to be a "realistic" concrete position but instead it is a schematic position, it replaces the generic nature of the movement of things, it cancels out an entire series of important elements and potentials. In that

position disappears an entire series of forces that do not identify themselves either with the United States or with the USSR. Let us recall that the process of detente and the entire new phase of growth of the worker and progressive movement throughout the world developed when that scheme was surmounted in theory and in practice.

I would like to recall one particular Soviet initiative: the trip made by Bulganin and Khrushchev to India in 1955 and other countries of the Third World. That initiative was a concrete declaration by the USSR that an entire part of the world (which contained important elements of social, political, and ideal novelty) could not be enclosed within the bloc of socialist countries, nor within the international communist movement, but could play an essential role in terms of progress and peace. It is not by chance that the room for the worldwide political dialectic grew larger and that new contradictions opened up in American foreign policy. We have come a long way since then. An entire tier of new national states has arisen; the area of subjects which act upon the international scene has become enormously diversified and complicated. And behind these new institutional and political realities there are profound social and material changes, changes in relationships and in the balance of power which influence the basic premises of present-day industrial civilization: energy, strategic raw materials, labor force, and consumption. The scheme of the two camps ignores and cancels out this great novelty with which we must come to grips. It looks like a rather sinister line of reasoning. But in reality it disarms.

[Question] Within this context, we must interpret the present-day revival of imperialist policy, the resumption of an American strategy which is aimed at reproducing old ruptures for the purpose of returning to a form of unipolar United States hegemony.

[Answer] Watch out. The scheme of the "two camps"--precisely because it flattens out reality--prevents us from seeing the insidious and articulated ways in which American imperialist groups and extremist currents react to the new situation in the world; this also casts a shadow upon the reorganizations through which the multinational corporations are restoring their penetration of the peripheral areas of the world and it therefore obscures not only the objective foundations of the rearmament policies but also the traumatic contradictions which the new phase of capitalist "modernization" is bringing about in vast areas of Asia, Africa, and Latin America. If we do not address ourselves to this specific and articulated analysis, then we will miss the essence of the whole thing and we will fail to see the resistance encountered by the imperialist currents and, hence, the forces to whom we can talk.

[Question] But, in the light of this imperialist recovery, how can we judge the attitudes and the specific actions of the USSR? I am asking this because this is the origin of the position of those who say that the intervention in Afghanistan can be understood and justified as a response to the new phase of American aggressiveness.

[Answer] In my view, this brings us to another typical point in the discussion. Behind the position you recalled there is the idea that the issue will be resolved by force and that word is supposed to mean "the relationship of military forces." I do not wish to recall now the--shall we say--desperate logic which is behind such a response: wars, perhaps war, nuclear conflict.

But is this notion of "force"--reduced to the use of the military machine --really correct and to the point? I may be wrong but it seems to me that the line of reasoning on the balance of power, in our world today, is so full of interconnections and interrelationships that it has become entirely too complicated. And the strategists explain to us that the adversary has suffered damage and that damage entails the risk of back-firing against the side that has inflicted such damage. Even a big power today "depends" on smaller powers and must take them into consideration in certain areas and in certain things. The very notion of power must be related to many fields which clearly go beyond the military sphere.

Arguments of this kind--which consider economic, political, and ideological factors--can be read in the studies and strategies worked out by the leading bourgeois groups. I find it rather strange that we should have to be specially on guard against this since we, after all, keep saying that we believe the redemption and role of the masses and the people--we who, during the time of the worst war and fighting, stressed not only rifles but also strikes, mass demonstrations, passive resistance, and the support that could also come from the weakest and from the most disarmed.

[Question] But do you not think, in this connection, that light will be cast on the error of those who, after criticizing Soviet intervention in Afghanistan, in the end lump the United States and the USSR together.

[Answer] But is it true or is it not true that Soviet intervention in Afghanistan promotes that error and helps those who maintain that the USSR and the United States are "the same thing," in other words, equal "empires?" But are we fully realizing the loss and the damage if people believe in this kind of "equating" which certain news sheets and certain Headquarters keep harping on certainly not by chance? I am talking here of the loss first of all to the USSR. Let us look at the record. How many times did we encounter noncommunists or even anticommunists who however saw the USSR tied to a policy of detente. I believe that this was an essential point: a point of strength. What would happen if that point were to be obscured and confused?

And this involves not only damage to the USSR. There is much talk among us about the crisis involving the younger generation and its relationships with the prospects of socialism. I confess that I do not know how to explain--and the story of Amin was not explained to me--how he could have become an "agent of the CIA," of its assassins and its conspiracies. It took me a long time to understand the conspiracies and massacres of Pol Pot. I believe that something must be done to prevent young people

from believing that the road to socialism involves things like that. I criticize the theory of the two camps also because it can lead to a conclusion as to the existence of a single road, equal for all. That would wipe out our entire strategy and so many potential developments.

[Question] At this point it would be useful to reflect upon the difficulties the USSR is having in coming to terms with important new phenomena such as those that arose in the Islamic world and to resolve decisive issues through the definition of a policy and an anti-imperialist front--and I am thinking here of the Chinese issue.

[Answer] Islam is a very vast reality and, in spite of that, it is considerably diversified. But there is not doubt that, within that world, new contradictions have opened up with the American imperialist groups and in particular with the policy pursued by the United States in the crucial zone of the Middle East. Today, Iran is the epicenter of this contradiction but that is not the whole story. I believe that it would be a mistake and it would be short-sighted to evaluate the developments of the Iranian revolution on the basis of the consequences regarding the positions of one power or another. But it seems certain to me that it is in the interest of the Iranian revolution as such to prevent the development of a breakup on the left and in an anticommunist sense because, broken up in this fashion, it would be extremely exposed to a reactionary revival and it would be very weak and uncertain in building a new government. And is not the fate of the Iranian revolution the crucial point in the anti-imperialist struggle and in world events? This is also why I did not understand the Soviet intervention in Afghanistan.

[Question] The other issue--the issue of China--is also tied to that situation and to the Soviet decision. The failure to resolve relationships between the USSR and China as a matter of fact produces a condition of instability throughout Asia. And this issue implies other, more complex problems.

[Answer] There is no doubt that a profound rethinking of the entire experience of the cultural revolution is now underway in China, an effort which is now giving rise to a process of travail which is nevertheless rich. A start toward laicization, toward the abandonment of dogmatic schemes and a wide-open approach toward reality. We are only now beginning to learn something about that. We are asking ourselves with anxiety whether the reflections on the great and terrible experience of the past can lead to a correction of that unacceptable position which pointed to the USSR as the main enemy, to the point of accepting even agreements with reactionary forces such as Strauss, merely in order to isolate the USSR. At the time of the conflict between Vietnam and Cambodia, we trembled, thinking that the event would sustain and strengthen that anti-USSR position. Today the intervention in Afghanistan reproduces the entire drama and reopens the way for the maneuvers of the United States. I believe that refuting the scheme of the two camps means also proposing that

outcome, keeping open a space for Chinese rethinking, and broadening the area of conversation partners.

[Question] At the last congress you said that such changes in international relations also lead to the renewal of our culture and some of its categories, such as the "classes." What were you trying to say?

[Answer] I am thinking here of "common sense" which has been so much a part of the tradition of the worker movement, in other words, the vision of the class conflict as the determination of a linear opposition between social antagonists, as a polarization into two "worlds," each enclosed within itself. The antagonism which springs from the social conflict is viewed as total dislocation and commitment. Today, instead, the processes which spring from the social clash appear to us to be more articulated, more "ambiguous," with an intertwining of "faces" and potentialities. As for the rest, the very idea we have regarding so many social roles and the individual subjectivity is less clear. The moment we thus extraordinarily enlarge the area of the forces in the field, the moment we have an even greater need for a culture capable of grasping the complexity of processes, the intertwining of social stratifications. The scheme of the two camps does not push us in that direction.

[Question] Do you not believe that the new processes and also the new potentialities, arising in the Third World, are derived not only in this way but also from choices which are made in the worldwide political and economic decision-making centers and that we should therefore talk in terms of a crisis of a certain bipolarism, rather than the exhaustion of its function?

[Answer] I believe that it is difficult to deny the great role which bipolar relations have played in governing the difficult phase of detente; and only those who reason in terms of small sects can ignore the many bipolar relationships that are essential also in the future to defend peace and to tackle the big problems arising in the world. What to me seems to be in the midst of crisis is something else: it is the strategy which saw the life of the planet organized in the form of two big areas, each controlled by one of the two superpowers, and "regulated" and guaranteed by the agreements between the Big Two. This strategy is in existence and we know the names of those who stood as the godparents for it in the United States. It was not only the maintenance of the status quo; it called for a "modernization" of the capitalist area; and it was not by chance that it became intertwined with those reorganizations which I stressed earlier, which concentrate the "brains" of advanced production in some home-country head offices and which tend to decentralize a whole series of dependent production factors in the peripheral areas. But this "modernity," which is so full of new dependence, causes terrible traumas and triggers responses; this is also true because in the world, in this century, there has been a process of liberation and the awareness of the peoples has changed through so many travails. Now, this is precisely

the point: the world has become and is becoming multipolar and the system of agreements between two powers no longer is capable of running the world. The monetary chaos is a reflection of this reality.

Against this background I must confess that I am not persuaded that the mechanical application of government, social, and political models of the Soviet type to the situations of certain countries that have liberated themselves from colonialism and that are today allied with the USSR would be an adequate response to the entirely unexpected problems which those countries are now facing. So, from the aspect of government and social "models" likewise it seems to me that the world today cannot be viewed and governed in a bipolar fashion. The start of the bipolar relationship and the phase of detente were an essential period in our history. But how can one overlook the fact that detente itself, by virtue of its positive aspects, has opened the way for new forces which now can no longer be squeezed into that scheme?

[Question] Under the changed conditions, such as they prevail today, how can one work toward a new internationalism? How can one define the latter in terms of political initiative?

[Answer] These are questions which go far beyond the limits of our conversation here. Perhaps, much more modestly, we can note some questions to which we must work our way toward a revival of an internationalist strategy, a peace policy, and progress in the world. I would like to give you only a few examples but there is a connection between them. I would first of all like to mention the topic of North-South relations. You recall certain passages in the final document issued by the Conference of Heads of State of Nonalined Countries. They did not call for more welfare but instead they demanded action with respect to the structures of the economy, negotiations on relations between the "center" and the "peripheries" of the world (in other words, not just petroleum prices) and new international institutions which would really enable the Third World and the Fourth World to have a say in the decisions. These may seem to be difficult topics and words; but we know what problems of hunger, survival, and autonomy are behind them. It does not seem to me that, regarding these points, there has been the slightest attempt to arouse a public opinion movement, a joint effort by the vast masses, a commitment to turn these also into areas of program confrontation when one discusses the formation of governments. Is this not a first field to which one can send a signal, a message to those who, in Iran, in Algeria, or in Vietnam, are trying to pull the situation together under such exceptional difficulties?

Here is another example: what has been done to oppose Giscardian neocolonialism or to stop the notorious arms traffic and mercenaries and effectively to isolate the racists. I believe that we Italian communists--who certainly try to be silent about this--can and must recall these truths. And looking at events in Vietnam is it true or is it not true that the strong and internationalist aid, which the Italian and European

worker movement gave during the years of American military aggression, failed to materialize when the bitter and tough tasks of reconstruction came to the light of day after the horrible massacre? Now, be careful: if we confine ourselves to casting our ballots only after the fact and to drawing up a list of errors of those who tried to come to grips with those difficulties, then the protagonists of history will be an entirely different bunch and they will not just be casting ballots.

[Question] Promoting such a political initiative means launching a profound process of production conversion in Western Europe.

[Answer] You are trying to tell me that this means a tough clash with the established interests and also an ideological struggle against orientations, beginning with the entire neo-free-trade revival which today is the ideological weapons of the European right. But we will not be avoiding the storm by standing firm on old conflicts. Instead, we will run the risk of seeing the consolidation of objective contradictions with emerging countries with whom we could and should build relationships of cooperation on the basis of equal dignity.

Look at what happened (and this is another main issue I want to underscore) on the question of the installation of new American missiles in Europe. The clear position which we assumed on Soviet intervention in Afghanistan gives us Italian communists even greater strength in denouncing the serious mistake that was made in accepting the American imposition. How true was the warning which we issued against the dramatic prospects of a logic of successive escalation! How even more urgent has a mass initiative now become for reviving a dialogue and stopping the retaliation spiral! We have arrived at the absurd situation of Carter's threat of boycotting the Olympics, in other words, the rejection of communication among men and peoples. And what good is this for the America, the America of the people, the America which has something to say about this kind of "vendetta?" And what is the meaning of the grave phrase to the effect that United States is ready "to pay any price to remain the world's strongest nation?" What does that mean: "any price?" What kind of price? And for whom? And why "the world's strongest nation?"

[Question] But you know that the Christian Democratic and Social Democratic leaders maintain the lineup with the decisions of the American leadership because they do not want to be guilty of violating the "Atlantic Pact," as a kind of new crime against the West.

[Answer] I am asking this: is the Atlantic Pact an understanding between equals or is it a situation of subservience? If it is not a situation of subservience, then there are room, possibilities, and dignity for an initiative. I believe that anybody who does not behave as a servant or a school boy will have respect for America. Now, I did not yet yesterday believe in those certain "peace-oriented" readings of American policy and I do not today believe that the serious choices of the American leadership will not trigger contradictions.

I am not at all convinced either that the "Vietnam complex" is over and done with in the United States (and that would be serious). I believe that it may also be up to us to sustain an entire debate addressed toward American democratic tradition, toward the liberal and progressive forces. This is one of the conditions for also talking to the Soviet world. In that direction likewise, because we can see a static situation developing? Who could believe that there will not be questions, serious questions and clashes of opinion in the USSR against the background of the crisis of detente? Internationalism also includes this initiative, this assumption of responsibility. We propose the exact opposite of a strategy of renunciation, a policy of whining.

[Question] What you are saying seems to me to relate to the decisive role which Western Europe must play within the current context of international relations.

[Answer] We are heavily underscoring the importance of an autonomous initiative by Western Europe and that was done with heavy emphasis by Berlinguer at Strasbourg. Of course, Europe can play this role only if it sheds that illusion of being above parties and somehow immune from and somehow not responsible for the current crisis. Europe can take action only if it is aware of this context of worldwide contradictions which we talked about earlier and of which it is a part. If we were to think of Europe as something separate from the rest of the world, we would once again be making the mistake of Eurocentrism. Having said this, it is all the more true that there are specific motivations and potentials for a European initiative. Above all, shifting the worldwide dialectic to the field of military confrontation damages Europe in a particular way because it exposes it more than any other part of the world, it shifts the confrontation to the field where it is weakest, and it restricts its possibilities of initiative to the utmost. Besides, Europe does need a collective discussion on a new international division of labor; here it suffices to think of the energy question. If this discussion does not assume concrete shape then we Italians will pay more than anybody else, the dependent and unbalanced character of Italy's development will become further accentuated, and the Mediterranean will run the risk of becoming an area of possible collaboration, an area of conflict.

Finally, I can see a third motivation and, from our viewpoint, perhaps the most significant one. The European West is that part of the world where, through long battles and also through the crisis of fascism, there has grown a solid worker movement and an entire fabric of democratic forces which today represent a subjective force that, perhaps more than any other, can work toward a new international setup and toward a worldwide political dialectics which will not be developed on the field of military conflicts. We are perhaps the part of the world where, from various sources, ways have been sought to achieve social transformations that would not involve war, armed conflict, and vertical splits in society. Should we drop that attempt or should we try even harder to place it

within an international perspective and to get rid of any provincial illusions?

[Question] But today there is a risk that democracy might perish in the face of the new problems and the crisis of the old social setup.

[Answer] Sure, we are facing a problem today as to how to achieve a development of democracy, how this can lead to structural changes without deteriorating into an authoritarian command. But we have a heritage and an experience behind us which can count much and which can move forces and masses. The important thing is to launch an initiative towards those forces with a great spirit of truth, stressing all that is new, for example, also in the Catholic world and in the social democracies, without overlooking the differences or without thinking that we can overcome them as a simple act of will.

[Question] And what do you think one can say about the crisis of Eurocommunism, as borne out recently also by the different positions adopted within the party and the French [communist] party regarding Soviet intervention in Afghanistan?

[Answer] This is just the beginning of the road. But Eurocommunism is something more ambitious (and more difficult) than the sly agreement which the bourgeois newspapers and leaders are talking about and it cannot even be boiled down to a "diplomatic" understanding between some communist parties. It is a long-term strategy which has begun to move; there are and there will be moments of difficulty and also tensions. We must not overlook them. Here again it is important to look them in the face and to discuss them. Perhaps we are today paying a certain price in terms of "diplomacy"; and that is true even though I do understand that caution and reciprocal respect are important. We must learn from experience, without presumptuousness. There is a spirit of "modesty" which does not conflict with the need for initiatives; it gives it a laic character and it nurtures that type of lucid firmness, that lasting quality, that quality of "faith" which corresponds to the spirit of our times.

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STUDY ON AVAILABILITY, USE OF FOSSILE FUELS

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[Report by SAMIM (expansion unknown)-ENEL (National Electric Power Agency): "National Fossile-Fuel Resources"]

[Text] 1. National Fossile-Fuel Resources

1.1 Methane

The total availability of methane in Italy from national production and importation in the 5-year period 1973-1978 and the forecasts for the following 5-year period, 1979-1984, are shown in the following table:

(in billion of cubic meters)

Year	National Production	Importation	Totals
1973	15.20	2.00	17.20
1974	15.30	4.15	19.45
1975	13.30	8.70	22.00
1976	14.80	11.83	26.63
1977	13.30	12.91	26.21
1978	12.90	14.15	27.05
1979	12.60	14.80	27.40
1980	12.75	16.00	28.75
1981	12.85	17.00	29.85
1982	12.55	20.40	32.95
1983	12.50	23.30	35.80
1984	11.50	26.00	37.50

As is seen, while national production in the decade considered drops gradually (from 15 billion m^3 in 1973 to 11 billion m^3 in 1984), the imports show a greater increase, so that total availability goes from 17 billion m^3 in 1973 to 37 billion m^3 in 1984.

1.2 Sulcis Coal

In the Sulcis coalfield, SAMIM is doing work through its associate company Carbosulcis. The exploration program, started in August 1978, is presently developing as programmed, with external and internal stratigraphic sample drillings (10 external and 15 internal), analysis of the samples extracted, as well as advanced-technique analysis of the strata pierced by the drillings (electrical, electronic corings, etc); and a geophysical (seismic) survey covering the whole field is also in progress.

All the data and information worked out during recent years have been diligently collected, along with the data and information obtained from the survey in progress, for the purpose of preparing a geostatic model of the part of the field explored.

It is expected, with the degree of uncertainty that characterizes this activity, that the exploration program will be completed in about the middle of this year.

In parallel, SAMIM has been participating since November 1978, within the framework of a program coordinated by SNAMPROGETTI [SNAM (National Gas Pipeline Company) Projects], in studies and experiments on the use of coal as plain coal, with desulfurization, and with gasification, with techniques that are at the state of the art on the international level and with special consultation and analyses assigned to large English, German, Japanese and American companies.

Completion of this general investigation of all the possible uses of coal is expected in the third quarter of 1979, and it is thus expected to have all the information necessary for proper design of a system to extract the ore.

Furthermore, it is expected to be able, by the end of 1979, to have:

--detailed and complete knowledge of a good part of the field (reserves available, position of the strata and quality of the coal);

--a complete investigation on the possible uses of the coal (market analysis);

--a proposal for the extraction system.

This will make it possible to prepare a definitive feasibility statement, and therefore to begin operational activities connected with the building of the mining installations.

SAMIM is also aware of the necessity of having ready in time the skills needed for operational activity, and is thus developing the necessary training techniques and programs.

As regards general estimates of coal availability, SAMIM's position is to wait for the results of the investigations in progress.

What can be said today is that the coalfield is a big one, with heavy characteristics in terms of sulfur content and percentages of ash.

These qualitative characteristics as well as the stratigraphic availability, insofar as it can be understood, lead to the conclusion that extraction and use of the coal will require solution of rather difficult technological and industrial problems.

1.3 L-gnite

The lignite mines presently working in Italy are those of Santa Barbara, in the province of Arezzo, and Pietrafitta, in the province of Perugia.

Both are operated by ENEL, and all of their production is taken by two thermoelectric power plants, located at the pit-heads and thus designed specifically for that type of fuel.

Mines in Stoping Phase

--Santa Barbara Mine: As stated, it supplies a thermoelectric power plant located on the edge of the excavation zone and composed of two sets of 125 MW each.

The fuel extracted (mainly xyloid lignite) has the following average characteristics:

pci [net heat value]	= 1,800 kcal/kg
moisture	= 47 percent
ashes	= 16 percent
sulfur	= 0.4 percent

This is an old mine, worked by a traditional method since the first years of this century and then changed into an opencast mine.

This new type of extraction was started in 1958. At the beginning of that year, the total quantity of minable lignite was about 40 million tons; up to 31 December 1978, more than 26 million tons of lignite was extracted, and used for production of more than 18,000 GWh of electrical energy. Therefore, about 14 million tons of lignite, corresponding to about 10,000 GWh of energy, remains to be extracted.

The mine's thermal equivalent can therefore be considered as initially equal to 7 million tons of fuel oil and presently equal to 2.5 million tons of fuel oil.

The average waste ratio for the deposit as a whole is about 7 m^3 of waste per ton of lignite.

At the present rate of extraction (about 1.3 million tons of lignite per year), exhaustion of the lignite field is expected in 1990.

In the first years, the cost-per-kWh of the lignite extracted proved very favorable, and today it is still entirely competitive with the corresponding costs of imported fuels.

--Pietrafitta Mine: It too supplies a thermoelectric power plant located on the edge of the excavation zone and composed of two sets, of 34 MW each. The fuel extracted (mainly peaty lignite) has the following average characteristics:

pci	= 1,100 - 1,200 kcal/kg
moisture	= 56 percent
ashes	= 17 percent
sulfur	= 1 percent

Opencast mining of the lignite was started in 1958. At the beginning, the total quantity of lignite minable by the opencast method was about 22 million tons, and up to 31 December 1978, about 16 million tons of lignite was extracted, to produce 7,400 GWh of electrical energy. Therefore, about 6 million tons of lignite, corresponding to 2,800 GWh of energy, remains to be extracted.

The thermal equivalent of the mine can therefore be considered as initially equal to 2.5 million tons of fuel oil and is presently equal to 700,000 tons of fuel oil.

The average waste-to-lignite ratio for the deposit as a whole is 3.5 m^3 of waste per ton of lignite.

At the present rate of extraction (600,000 tons of lignite per year), exhaustion of the lignite field is expected in 1989.

The average cost-per-kWh of the lignite extracted proved competitive, in the first years, with the cost of imported fuel in the same period. We are presently at the limit of this competitiveness, and a few years beyond it in the case of production that is below average.

All in all, therefore, the Santa Barbara and Pietrafitta mines produce an average of 1.9 million tons of lignite per year (corresponding to about 300,000 tons of fuel oil per year), with which about 1,200 GWh per year is produced.

These mines are capable of turning out this production for at least another decade, at fuel costs per kWh produced that are still within limits, despite Santa Barbara's high waste-to-lignite ratio and the falling quality of the lignite of Pietrafitta.

No particular technical problem has arisen in the use of lignite in the power plants of Santa Barbara and Pietrafitta. For the Santa Barbara mine, the problems of the environment and of the surrounding territory have led to a land layout which, with a suitable fertilizer program, has even improved agricultural productivity.

For the Pietrafitta mine, there is under study the possibility of digging out of the empty excavations, when mining has ended, a reservoir for storing the water of the Nestore River, to permit irrigation of the surrounding lands, which are quite fertile but arid.

Other Inactive Deposits

In addition to the two abovementioned working mines, there are another two--the Mercure mine, on the border between Basilicata and Calabria, and the Bastardo mine, in the province of Perugia. The concessions for them, once held by ENEL, have been given up by it, for the reasons that we shall see.

--Mercure: At the time of the first studies and proposals made in 1955-1956 and the concession application filed by the Societa Meridionale de Elettricita [Southern Electricity Company] in 1956, five separate and distinct lignite fields were identified in the Mercure bed that were considered capable of economic mining by opencast working.

Subsequently, the lignite-bearing zones to be considered for the mining programs were reduced to three (Pianette, Caricchio and La Guardia) because of the low quantity of lignite reserves contained in the other two, their excessive irregularity of deposit, and the low heat value of the lignite. The estimate of the lignite reserves minable by the opencast method were initially estimated at about 15 million tons, but this figure was later scaled down to 11.3 million tons in the light of mining experience, which did not permit mining of the zones that were too contaminated.

ENEL mined the Pianette zone from 1965 to 1970, using all of the lignite in the nearby power plant, composed of two sets of 75 MW each. Technical reasons--in particular, lignite zones highly contaminated by intercalated wastes and with heat values too low, as well as difficulties in obtaining the land necessary for mining--made it advisable to abandon the mining of the peripheral zone of this seam, the mining production from which was limited to 2.5 million tons as against the forecast of 3.8 million tons.

The fuel extracted had the following average characteristics:

pci	= 1,300 kcal/kg
moisture	= 53 percent
ashes	= 20 percent
sulfur	= 1 percent

The waste-to-lignite ratio proved in practice to be 6.6 m^3 of waste per ton of lignite.

The electrical energy produced with lignite was 1,200 GWh.

The quality of the lignite mined proved far lower than originally estimated, turning out to be scarcely 1,300 kcal/kg, and its cost per kWh produced was not competitive with that of imported fuel in the same period.

As regards the minability of the La Guardia zone (about 2.5 million tons), considerable uncertainty was expressed from the outset because of the high waste-to-lignite ratio--11 m^3 of waste per ton of lignite--and the narrowness of the seams, in which the lignite is not present in a single layer but is subdivided into three strata with an average thickness of 2.5 meters each, between which are intercalated large strata of waste ground of a clayey nature, 30-40-50 meters thick, and with very low-quality characteristics of the ground to be excavated. In the general-proposal phase, this zone was already considered to be of marginal minability. Therefore it was decided not to begin mining of it--also because 25 percent of the lignite present shows the so-called "splitting" phenomenon: that is, in each seam of lignite are intercalated narrow strata of waste varying in thickness from 0.5 to 2 meters, which makes it practically impossible to recover a good part of such contaminated zones.

The Caricchio lignite zone, about 6 km from the thermoelectric power plant of Mercure, is located in a zone immediately downhill from and adjacent to the hamlet of Castelluccio Inferiore, and is intersected by the Calabro-Lucana Railway and Federal Highway No 19 of the Calabrie.

The deposit is composed of a single lignite seam with an average thickness of about 4 meters, extending over an area of about 1 km^2, and it is covered by lands of a clayey nature, as thick as 60 meters in the vicinity of the town of Castelluccio.

The Caricchio lignite seam has contaminations in some zones owing to intercalations of waste that have subdivided the stratum into two or three parts. A similar phenomenon has already been encountered in the Pianette field, in which sizeable parts of the contaminated seam have had to be abandoned because they are not usable for the power plant.

The quality of the lignite of Caricchio is lower than that of Pianette: on the basis of the samplings and analysis of the lignite, taken by corings, the average heat value of the Caricchio lignite was estimated at 1,350 kcal/kg. But since, in the practical mining of the Pianette zone, lignite heat values 10 percent to 15 percent lower than the values estimated during the corings were encountered--due in part to the inevitable contamination owing to the working, as well as to the technical impossibility of separating the lignite from the clayey intercalations--it has been decided that for Caricchio, a heat value higher than 1,200 kcal/kg cannot be counted on.

According to up-to-date studies, the quantity of lignite recoverable from Caricchio, taking into account the reductions to be made in the splitting zones and the inevitable stoping losses, can be estimated at 3.9 million tons, with a waste-to-lignite ratio of 6 m^3 of waste per ton of lignite.

However, exploitation of the Caricchio lignite field involves a set of problems, unknowns, and serious difficulties of a technical, economic and social character that can be summarized as follows:

--with the removal of more than 26 million m^3 of materials--waste and lignite --in a zone downhill from and adjacent to the town, a dangerous situation would be created for a part of the hamlet of Castelluccio Inferiore, which has undergone considerable building expansion in recent years;

--the expropriation of more than 200 hectares of good agricultural land, composed partly of irrigated gardens and orchards, and the demolition of more than 100 existing buildings in the zone devoted to the opencast mine workings, would have negative effects on the local economy, especially on permanent agricultural employment, with damage assuredly greater than the limited advantages deriving from the mining activity, which will certainly last for a short duration;

--the preparatory work--comprising, among other things, the detouring of an important watercourse, two high-voltage electric power lines, the Calabro-Lucana Railway and the National Highway of the Calabrie--proved absolutely disproportionate to the quantity of lignite effectively recoverable (3.9 million tons in 7 years, equivalent to 450,000 tons of fuel oil).

In conclusion, the very limited quantities available and the consequently short duration of the workings do not justify either the huge expenditures necessary for the preparatory work, the opening of the mine and the purchase of machinery (to be bought largely abroad--among other things--with large payout of valuable foreign exchange) or, especially, the expropriations, the damage to things, the serious dangers for the hamlet of Castelluccio Inferiore, the disruption of the zone and the consequent agricultural unemployment, which would not be compensated for by the resulting benefits of reducing importation of fuel oil by an equivalent quantity.

The mining concession was given up by ENEL in 1971, and the Ministry of Industry, in accepting the abandonment, acknolwedged the industrial exhaustion of the Mercure lignite field.

--Bastardo: The studies for working of the mine date from the 1950's.

In the 1960's, ENEL continued with careful investigations and numerous studies, making use also of outstanding experts in the specific field of opencast mining. These studies produced technical and economic results that were entirely negative, and on the basis of them, application to abandon the concession was made to the Ministry of Industry, which in April 1972 issued the decree of acceptance of ENEL's abandonment.

The fundamental negative aspects on which the application for abandonment was based at that time and which are still valid can be summarized as follows:

(1) Low quality of the lignite: the pci was estimated at 1,300 - 1,400 kcal/kg; 1/3 of the minable lignite had more than 50 percent of ash; and the sulfur content was high also--1.5 percent;

(2) Low quantity of lignite reserves minable by the opencast method: 14 to 15 million tons, divided into two separate zones (in practice, two small mines); the rest of the deposit is at such depths that it is not capable of being worked by opencast methods;

These reserves correspond to about 2 million tons of fuel oil, to be spaced over not less than 20 years;

(3) Depth and narrowness of the seam: the only seam of some magnitude goes down as deep as 140 meters, and its thickness is a very few meters. Large investments for machinery and installations (nearly all of it from abroad) for removing the enormous ground cover would have been needed, and the cost would have been disproportionate to the quantity of the reserves;

(4) Exceptionally unfavorable deposit conditions: the average waste-to-lignite ratio was estimated at about 14 - 15 m^3 per ton--four times higher than that of Pietrafitta and twice that of Santa Barbara (while the latter's lignite has a pci of 1,800 kcal/kg);

(5) Necessity of removing more than 200 million m^3 of clayey soil, with the creation of two enormous craters and the taking of very vast areas of agricultural lands for the tailings. In 1965, an initial estimate put the land to be expropriated at more than 1,000 hectares, and the buildings to be demolished at 65. These figures were later increased, and in addition, uncertainty arose about the possibility of finding, at a distance not too far from the workings, areas capable of accomodating volumes of waste so gigantic and of such a nature (clayey);

(6) Ecological disturbance and damage to the local agricultural economy as a consequence of the excavations, the expropriations, and the demolitions (agricultural unemployment in place of industrial employment);

(7) Very extensive and expensive preparatory work (detouring or roads, watercourses, etc), entirely disproportionate to the project.

ENEL is no longer interested in the Bastardo deposit, and it can further be declared that despite the recent rises in the cost of petroleum products, the Bastardo project does not have any validity today either: the technical problems have not changed, and the difficulties in trying to start a mining operation are so big as to make any initiative inadvisable.

2. Use of National Fossil-Fuel Resources for Production of Electrical Energy

2.1 Present Use

For 1978, production of electrical energy from Italy's fossil fuels can be estimated as follows:

- from lignite	1.2 GWh
- from methane	4.1 GWh
- from Sulcis coal	0 GWh
	5.3 GWh

In reality, ENEL's production of electrical energy from methane in 1978 was 8.2 GWh, but for the purpose of evaluating the proportion relative to Italian methane, total production has been reduced in approximately the same ratio as exists between imported quantities and national production.

Since ENEL's total gross production of electrical energy in 1978 was about 136 GWh, the contribution from national fossil fuels was equal to about 4 percent.

2.2 Forecast for the Future

Production of electrical energy from lignite will be maintained at the 1978 levels, with a tendency toward gradual decrease as the deposits are depleted.

It is more difficult to make forecasts of electrical-energy production from methane, inasmuch as the supply contracts are short-term or even uncertain, and because of this, when new industrial users come into the market, or when domestic uses become more widespread, the quantity earmarked for ENEL is reduced proportionately. Even if this does not have to do with national resources, it is worth remembering that a considerable increase in the availability of methane is foreseen for after 1980 as a result of the placing in service of the methane pipeline from Algeria.

Finally, as regards Sulcis coal, it should be recalled that ENEL is committed to taking 1 million tons per year from the time that the mine goes into production. This quantity corresponds to production of about 1.4 GWh per year, and is therefore comparable to that obtained from lignite now.

2.3 Particular Problems Relative to Use of National Resources

2.3.1 Methane

As seen earlier, the major quantities of natural gas go to industry (especially the chemical and metallurgical industries) and for domestic uses.

Minor quantities go to the thermoelectric power plants. In the area of domestic uses, natural gas can, among other things, contribute to reduction of low-level emissions, which are responsible for local high-pollution situations typical of urban centers.

Taking into account the scale of priority use indicated above, the methane supply contracts for the electrical-energy production installations contain clauses that make for uncertainty and interruptability of supplies. Especially in the zones that have been served by methane pipelines for a long time,

and thus are already equipped with distribution networks for small-scale and medium-scale use, the availability of gas for the electric power plants proves more abundant in summertime, while in wintertime is its limited to the preferential uses stated above (urban heating, industrial uses). This type of supply system also has a useful function when a new methane pipeline is put into service.

In such case, there is initially an excess availability of gas, which however must be absorbed by the installations producing electrical energy. Subsequently, with the passage of time and development of the distribution system for domestic and industrial uses, availability decreases, and the supply takes on the characteristics of interruptability and uncertainty referred to above.

Given its chemical-physical characteristics, natural gas is easily usable in thermal plants producing electrical energy (both thermoelectric power plants and gas-turbine plants).

In fact, the use of this fuel produces only minor problems of corrosion, erosion and deposits in the plant, and it is also a fuel that has optimal characteristics as regards emission of combustion products into the atmosphere.

In prospect, from the point of view of energy-savings policy and the consequent necessity of raising efficiencies as much as possible, natural-gas electrical-energy production plants of the combined-cycle type (that is, based on gas turbines with systems for recovery of exhaust heat for production of steam to be used in a conventional turbine) seem especially interesting.

Given the greater technical complexity of these plants and the capital costs for them, they are justified for times of medium and heavy use. Plants of this type might therefore be proposed in cases in which continuous availability of natural gas, assured for reasonably long periods of time, can be counted on.

2.3.2 Sulcis Coal

Aspects Regarding Standards

The use of Sulcis coal in thermoelectric power plants requires, as a preliminary, a examination for conformity with the environmental standards that presently determine its limitations and modes of use. The chemical-physical characteristics of Sulcis coal are highly variable, because of the particular conformation of the deposit. It further depends on the type of mining that will be decided on, the washing system, etc, on which precise indications cannot be given at present, and for convenience, we refer to the principal data noted in the period 1966-1972: ash content, 35-40 percent; sulfur contnet, 5-6 percent; net heat value, 3,000-3,600 kcal/kg.

As is known, Law 615, Article 3, imposes precise limitations on the characteristics of the solid and liquid fuels usable in the control zones. In particular, the use of steam coal with sulfur up to 1 percent is permitted by application to the Communal Administration.

For the zones subjected to control, the law in question does not in any case provide for the possibility of using steam coals with sulfur contents higher than 1 percent.

For a complete examination of the situation, it is necessary to add the provisions of Articles 8 and 9 of Law No 393 of 2 August 1975.

According to Article 8, last subsection, "the Ministry of Industry, having heard the advice of ENEL, determines those thermoelectric power plants in which fuels different from the mineral oils may be used also, taking into account every element tending to ensure the least change in the atmospheric pollution of the zone and the greatest economy of operation."

Article 9 that follows establishes that "the Ministry of Industry, in the absence of contrary opinion on the part of the minister of health, with the decrees provided for in Article 8 preceding, may authorize ENEL, for limited periods of time, to use steam coal with sulfur up to 2 percent, taking the market conditions into account. In the case provided for in the preceding subsection, the half-hour sulfur dioxide rate indicated in Article 6, last subsection, of Law No 880 of 18 December 1973 is 0.35 ppm. ENEL is also permitted to use the coal of the Sulcis coalfield in the thermoelectric power plants located in the zone of said field."

In practice, then, there is presently an opening for Sulcis coal only in the zone of said field. In this regard also, moreover, it should be asked whether the provisions of Articles 8 and 9 of Law 393 prevails over the powers assigned to the Communal Administrations as regards the use of fuels as specified in Law 615, considering that the commune of Porto Scuso is in a control zone.

Nor is it clear, on the basis of Article 9 of Law 393, whether the use of Sulcis coal in the thermoelectric power plants located in the zone is permitted for an unlimited time or rather for limited periods of time, in conformity with what is established in the first paragraph of the same Article 9 for steam coals with sulfur up to 2 percent (that is, with sulfur levels lower than those of Sulcis coal).

Modes of Use of Sulcis Coal in the Short Term and Medium Term

In the area of use in the short and medium terms--that is, with conventional combustion systems--the low heat power together with the high ash content requires the availability of boilers equipped and sized as necessary--in particular, having very large combustion chambers.

On the technical level, boilers usable for the purpose are installed in several thermal plants of the first generation built in Italy, among the 75-MW plants dating from the postwar period in the framework of the Marshall Plan.

However, the abovementioned plants labor under the technical and environmental impossibility of using large quantities of such fuel. They are indeed locked closely into an urban context, and furthermore, they do not have enough inside space for installation of the big smoke-elimination installations that would be necessary for coping with the environmental requirements that have in the meantime arisen in the urban areas concerned.

And this is without taking into account the absolute preclusion contained in Law 615.

On the other hand, a use of the coal in question that fits in with the present mine-exploitation programs seems possible for the power plants of the coalfield in question, on the basis--among other things--of the opening granted by the standards for such specific utilization, which takes into account the favorable ecological and meteorological context in which the power plants in question operate.

Specifically, the ENEL power plants of the Sulcis field burned, in the period 1966-1972, about 2 million tons of this coal. The biggest power plant in the zone is the Sulcis thermoelectric plant, composed of two 240-MW thermoelectric sets. Under full load, each of these sets is capable of burning about 150 tons of Sulcis coal per hour (pci = 3,600 kcal/kg). Use of the coal in this power plant results in serious ash-evacuation difficulties, and also serious damage to the blades and to the ducts of the smoke-extraction ventilators from the abrasion caused by the coal ashes, not enough of which are trapped by the filters with which the two units were equipped.

The experience acquired in this period, even though brief, has made it possible to obtain more detailed knowledge on some aspects and permits one to declare that there should not be any insuperable technical problems as regards the burning of a coal with the abovementioned chemical-physical characteristics and with pci not less than 3,600 kcal/kg.

Taking an average use equivalent to 5,000 hours per year at full power, the power plant in its present configuration would be capable of burning a quantity of Sulcis coal on the order of 1,500,000 tons per year, equal to about 1,900,000 of coal extracted.

Technical-Environmental Aspects

Conversion of the power plant in question to organic use of Sulcis coal must take several fundamental aspects into account.

First of all, in the period of time necessary for the startup and gradual buildup of the mine's production, the power plant will have to function with coals from the outside and with mixtures of different coals, with the quan-

tities of Sulcis coal gradually increasing. Even if such variations in the fuels will involve difficulties in tuning the equipment, with particular reference to the smoke-filtration system, they will nevertheless make possible a gradual adjustment of the plant to the problematics connected with the growing use of Sulcis coal, so as to permit full use of such coal as soon as the mining operation gets into high gear.

These conflicting requirements, along with the necessity of ensuring the highest power-plant availability factor in every phase, make a gradual and flexible approach advisable in the activation of several especially critical parts of the plant.

This flexible approach should give the best guarantees from the start for use of the quantities of Sulcis coal that will gradually be made available, and with full adherence to the environmental requirements also.

In this phase, the experience acquired by ENEL will be used to achieve and maintain adequate quality characteristics of the air around the power plants, by the designing and installation of an up-to-date system for conveying the combustion products into the atmosphere and scattering them.

In the specific case, it is planned to use a very high multiflow chimney of a type similar to the ones installed in the biggest and most modern ENEL thermoelectric power plants.

This solution seems particularly adequate inasmuch as the location of the power plants in question proves extremely favorable for atmospheric dispersion, the site being very well-ventilated; indeed, the winds at the ground, as recorded in the Carloforte Air Force station, have speeds higher than 4 meters per second 60 percent of the time, with favorable direction. In order to verify beforehand the effectiveness of the multiflow chimney planned for the Sulcis power plant, estimation calculations have been made using mathematical models that are conservative by comparison with the experimental checks carried out on the ground by means of the ENEL recording systems installed around operating power plants.

To take account of the gradual nature of the supplying of Sulcis coal to the power plant, because of the times necessary for getting mining operations under way, three typical phases of functioning have been considered:

case (1): supply of 100 tons of Sulcis coal per hour, with the rest being foreign coal; = 500,000 tons of Sulcis coal per year;

case (2): supply of 250 tons of Sulcis coal per hour, with the rest being foreign coal; = about 1,250,000 tons of Sulcis coal per year;

case (3): supplying Sulcis coal only; 441 tons per hour = about 2,200,000 of coal per year.

The results of these calculations, even under the worst weather conditions, with the three sets functioning simultaneously under full load with Sulcis coal, indicate adherence to the limitations set by the law.

On the basis of the same calculations, two 240-MW sets operating on Sulcis coal with the multiflow chimney produce an incidence on the ground analogous to the present configuration (two 240-MW sets with two 102-meter chimneys) operating on fuel oil.

Around the power plant will be installed a system for chemical-meteorological recording of air quality, with a system for real-time data transmission and an automatic data-processing system. On the basis of the positive experience obtained from numerous similar recording systems adopted by ENEL, it will be possible to keep track continuously of the course of the SO_2 and dust levels in the areas surrounding the power plant in function of the gradual changeover to Sulcis coal, thus ensuring a constant check, under the different operating conditions, of the effectiveness of the scattering and filtering systems. For the filtration, it is planned to install at the start a plant to break down and evacuate particulate matter, designed to eliminate large quantities of ashes and ensure high efficiency, even with highly variable chemical-physical characteristics of the ashes such as can result from the use of a wide range of coals.

Correct tuning of the particulate-matter filtration system is also especially important for the purpose of obtaining adequate performance characteristics from any presently proposable installation for desulfurizing the fumes.

If, indeed, the indications from the recording system, as they relate to the quantities of Sulcis coal that can definitely be counted on, should indicate the necessity of integral provisions for purification, equipment for desulfurizing the combustion products will be installed.

Immediate adoption of such installations is not presently proposable or justifiable, for a number of reasons that we shall explain briefly.

First of all, there is at the moment no indication of the quantities of Sulcis coal that will be made available for use in the power plant, and its chemical-physical characteristics. It should also be kept in mind that the availability factors so far provided by such installations do no appear satisfactory, as emerges from a recent statistical study carried out in the United States [1] on the performance characteristics of desulfurization plants selected by the Department of Energy as technologically and statistically representative and installed in power plants using coals with high sulfur contents. It has emerged that such installations have treated total fume volumes equal to 30 percent of their design capacity.

Of this 30 percent, only 50 percent reached the purification level required by the standards.

Putting off definitive design of the desulfurization installation until later, it will be possible to take advantage of the results of experience presently being acquired on an international scale, and it will also be possible to base it on consolidated data representative of the effective chemical-physical characteristics of the Sulcis coal that will be made available by the mining techniques that will be employed.

On the basis of all this, and in order to make the eventual future installation of desulfurization plants realistically possible, a detailed study is being carried out of the various types that today appear most promising in relation to the specific local requirements, and it is planned to leave available in the power plant the spaces necessary for eventual future installation of them.

On the basis of what we have seen above, this is the gradual and realistic approach that it has been decided to take. It is also consistent with the necessarily long times that will lapse between startup of mining operations and the reaching of full production potential.

Other Possible Uses of Sulcis Coal in the Medium and Long Terms

Such possibilities relate to the advanced coal-use technologies presently in the study and research phase. The most important of them concern fluid-bed combustion and gasification.

Fluid-Bed Combustion

This consists, as is known, of a boiler with its tubes immersed in a fluidized bed containing inert material, coal ashes, coal dust and calcium carbonate. The bed is kept in suspension by a flow of air blown in from below. In this system, desulfurization occurs in the fluid bed itself instead of in the cold fumes leaving the boiler, as in the desulfurization installations proposed for the conventional thermal plants.

The fundamental aspects of this system are therefore:

--boilers of dimensions that are smaller in relation to their power, because of the high coefficients of heat transmission;

--good removal of SO_2;

--possibility of using low-quality fuels.

Furthermore, it is obvious that such installations present potentially great difficulties of operation as well as problems of erosion-corrosion of the boiler tubes.

In addition, it is difficult to ensure coefficients of heat transmission that are constant in time.

Finally, this process requires the development of effective systems for filtration of the hot gases for elimination of particulate matter.

On the basis of the tendencies prevalent in the United States, it is clear that in its present first phase of development, this system is aimed at small installations, therefore suitable for production of heat for industrial processes. This system thus opens a way, in the industrial field, for heat-production systems using coals instead of liquid fuels. In addition, they provide good SO_2 breakdown in small production units, for which the adoption of fume-desulfurization systems, which are applicable only to large traditional boilers, could not be envisioned.

Finally, once the system for small units is perfected, such units could be built and installed in a short time.

On the basis of the above, recent American-source market studies indicate the possibility of penetration of such systems into the industrial heat-production field starting in 1985.

The same studies foresee that in the United States, starting in the year 2000, about 50 percent of the new industrial heat-production units could be of the abovementioned type.

For the reasons stated above, the outlooks in the field of electrical-energy production seem less favorable. In fact, the same studies see the first applications in the United States of such a system for commercial production of electrical energy as occurring as late as 1990 to 2000.

As regards Sulcis coal, and if it is adapted to this technology, the first use of such coal in small industrial units to be installed in Sardinia can be forecast for 1985 and after.

Gasification

With gasification of coal, producing gases with low and medium heat value, there is in principle an outlook for widening development in the field of electrical-energy production.

Nevertheless, it should be kept in mind that production of electrical energy by direct burning of coal in conventional boilers appears more advantageous, from the economic and energy points of view, than combustion that uses gasification as a preliminary.

Another impediment to the use of the traditional boiler with a fume-desulfurization installation is that the efficiency of such a set is about 75 percent, while the overall transformation of the coal, gas, and steam produced in the boiler reaches about 75 percent.

With the above kept in mind, the feasibility, from the economic and energy points of view, of gasification for production of electrical energy requires

the development of gasification plants connected with a high-temperature (1,500° C) gas-turbine combined cycle.

This further step also requires the availability of 1,500°-C gas turbines, for which it is still necessary to tackle and solve technological problems of great difficulty.

On the basis of up-to-date estimates, it is therefore anticipated that the first commercial installations for combined-cycle gasification of coal for production of electrical energy can be readied for 1990. In any case, it will be necessary to verify beforehand the applicability of the gasification technologies to Sulcis coal, the characteristics of this fuel being very peculiar to it. In the affirmative case, even if the economic and energy outlooks do not appear generally favorable, it will be possible to consider as an intermediate solution the use of gasified "Sulcis" of low and medium heat value in traditional boilers of thermoelectric power plants in the zone.

2.3.3 Lignite

The use of lignite in thermoelectric power plants raises problems connected with the peculiar characteristics of this type of fuel.

However, specific experience does exist both elsewhere in the world--especially in Germany and recently in the United States--and also in Italy that permits us to declare that all the problems can be solved by adequate design of the steam generator and or its auxiliary equipment.

The sizing of the steam generator for lignite must be done on the basis of very low values for the volumetric thermal load of the combustion chamber.

The fact is that lignite is characterized by a high moisture content, which retards the fuel's speed of reaction. The result of this fact is that the combustion chamber must be very large so that the fuel stays in it long enough for combustion to be completed.

Moreover, taking into account the considerable quantities of ashes introduced into the boiler, given the rather low heat value of lignite, the velocity of the gases in the convection beds must be kept low so as to avoid erosion problems.

In conclusion, boilers for lignite must have, per unit of power, much larger sizes than those for higher-quality coals.

The lignite is put into the boiler in the form of a pneumatically transported dust. The transporting gas is tapped at a very high temperature so that after drying, the dust-gas mixture has a temperature of about 100°-150° C. The mills used for grinding are usually of the hammer type.

The dust is transported by means of exhaust ventilators that such the gas-sust mixture from the mill and put it into the boiler.

Electrostatic traps are used for removing dust from the fumes. Indeed, the ashes of lignite have a nearly optimal resistivity (10^8 - 10^{10} Ω cm) for capture. Moreover, the high moisture content acts as a true gas-conditioning agent in the sense that it improves capture.

The dimensions of the traps are very large also because of the high ash content and the volume of gases to be treated, which is far bigger than for boilers burning bituminous coal.

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AMARO DA COSTA ON ROLE AS DEFENSE MINISTER, OTHER TOPICS

Lisbon POVO LIVRE in Portuguese 9 Jan 80 pp 8, 9

[Interview with Defense Minister Amaro da Costa by Helena Roseta; date and place not given]

[Text] An optimist, but weary; replete with statements of good faith, but clear-sighted; quick and lively in his perspective on scenarios of the future, but extremely careful in his comments: This is how we found Amaro da Costa, a civilian defense minister in a government whose plan includes the ambition to abolish, in stages, the organ of politicomilitary power, namely, the Council of the Revolution.

Everything is discussed, from Afghanistan to the constitutional revision, including Eanes' inauguration speech, the law and framework of the referendum, and the role of the Armed Forces, "before," "after" and "during" the current period. Amaro da Costa did not shy away from questions.

He is like someone accepting a great challenge: that of attaining, through a good performance in the position that he now holds, not only the unanimous recognition of his parliamentary brilliance and spiritedness, but also the personal demonstration that he can go further.

POVO LIVRE: The Coordinating Committee of the Democratic Alliance [AD] met today. One of the problems discussed, which has been brought up in the newspapers, is that of ascertaining whether or not there is a spokesman for AD, and what Lucas Pires' status is in this regard. What would your comment be?

Amaro da Costa: In the first place, I think that we must get used to the presence of a certain amount of acceptable tension among the various members of the Democratic Alliance. The temptation for unanimity, which would hamper the critical spirit and curtail the capacity for the spontaneous expression of political views represented in the Democratic Alliance ends up having negative effects on what should be its essential goal, namely, to expand. There is a parliamentary majority which is the basis of the government; and that majority should become organized. Therefore, I think that the problems

which have been raised have been blown up by public opinion, giving them a dramatic significance which they by no means have.

I do not wish to nurture with speculation the various incidents that have been compounding this issue along the way. I shall confined myself to stating that I have heard from Lucas Pires reiterated claims of a spirit of unity with respect to the Democratic Alliance, of course without precluding a defense of the worth of his own personal positions and those of the party to which he belongs.

The Soviet Invasion of Afghanistan Could Be an Advance Move

P.L.: One of the first decisions of the AD government was to order the withdrawal of Portugal's ambassador to Moscow, because of the USSR's aggression in Afghanistan. What does the defense minister think of that decision?

A.C.: I think that we are experiencing some especially critical times on the international political scene. The year and decade of the 80's began marked by insecurity, the first visible signs of which was the abduction of the diplomatic personnel at the United States Embassy in Iran, which has now been compounded by the Soviet invasion of Afghanistan and the USSR's direct involvement in the coup d'etat which overthrew the president of that country. We still lack an historical perspective from which to judge the implications and goals of this action on the part of the USSR; but it is odd to find that it took place just a few weeks after the decision of the NATO countries not to accept any longer the unilateral imposition of strategic arms by the Warsaw Pact, threatening the European continent.

P.L.: Do you think that this might be retaliation?

A.C.: It could be an advance move. We should consider the fact that, immediately after the NATO ministers decided in favor of installing missiles with nuclear warheads on the West European continent, as a response to the SS-20 missiles and Backfire planes of the USSR, this incident took place; something which immediately suggests a cause and effect relationship.

Hence, I draw the conclusion that the USSR's much heralded interest in world peace and in holding serious negotiations aimed at a progressive, gradual calmness and an enhancement of the factors for security is obviously challenged.

The Soviet Union certainly realized that it was repeating, on a more dramatic and significant scale, what it had already done in Czechoslovakia, during 1968. The ouster of the former political leadership in Afghanistan, although it was pro-Soviet in nature, in the way that it was done, discloses an impatience and greed which could only be warranted by a high degree of strategic interest.

P.L.: Will this attitude of the AD government have sequels and consequences?

A.C.: It could. The government must be inspired by the rules of good sense and circumspection in the action that it takes in foreign and domestic policy. For the present, what the government wanted to indicate was its profound disagreement, its censure and its condemnation of the action taken by the Soviet Union. The Portuguese Government will have to make its own inferences from the manner in which the USSR reacts to the international conscience and to the positions that the various governments in the outside world assume. It is only on the basis of the USSR's behavior in the near future that the Portuguese Government can seek other ways of expressing its displeasure.

P.L.: How, for example?

A.C.: It would be too soon to go into detail, but they are traditional ways, and would be used by other countries.

'As a Civilian, I Feel More Like a Spokesman for the Government With the Armed Forces Than the Opposite'

P.L.: Were there any reactions to that measure of the Portuguese Government in military circles?

A.C.: The relations between the defense minister and the Armed Forces in Portugal are governed by a unique statute.

The Armed Forces are independent of the government; they have their own organs of political leadership. And, to this extent, there is no regular contact between the Armed Forces and the government that is institutionalized in the law.

The minister of foreign affairs is responsible for informing the minister of defense before the publication of any official memorandum that the prime minister and the minister of foreign affairs decide to prepare. This has something to do with the statute for the defense minister in this government: The fact is that, at the present time in Portugal, the defense minister has no responsibilities associated with the Armed Forces; but, being a civilian, he has supplementary obligations in terms of making information available, in the event that it should prove necessary.

Whereas a military man, as defense minister, would feel more like a spokesman for the Armed Forces with the government, or as their agent, a civilian tends to feel, on the other hand, more like an agent or spokesman for the government with the Armed Forces than the opposite.

P.L.: Is this the way in which you interpret the position that you hold?

A.C.: It is, although without too much ambition regarding what will be possible to achieve up until the time of the constitutional revision from the standpoint of preparing an overall awareness of the main factors involved in subordinating the military institution to the civilian authority.

After the Constitutional Revision, the Armed Forces Must Be Subordinate to the Government

P.L.: I would like to ask you to give a better explanation of the relations that you think should exist between the Armed Forces and the government after the constitutional revision.

A.C.: Even before the constitutional revision, we must consider an important matter: What happens to the Armed Forces on the day, most likely in 1981, when the president of the republic promulgates the law for constitutional revision?

On that day, the structures of the Armed Forces' autonomous political leadership will disappear; the Council of the Revolution will disappear. But meanwhile, what structures have been prepared so that the political command of the Armed Forces will start to be exercised by the government? I do not think that such structures can be improvised. It would be a serious risk to the stability of the institutions if provisions are not made, from now on, to study and plan the necessary instruments that will enable this transition to be made in a simple manner, without problems.

P.L.: But do you think that some organ should be created to replace the Council of the Revolution?

A.C. After the constitutional revision, it is obvious that the Armed Forces must be subordinate to the government, pure and simple, through the minister of defense who is in office at that time.

P.L.: This is the "after," but there is a "before." But I wanted to ask you whether, in the "during," the politicomilitary organ, namely, the Council of the Revolution, might create a period of crisis or a political stalemate, inasmuch as it has the power to veto laws of the Assembly as unconstitutional?

A.C.: The Council of the Revolution is an inevitable prerequisite of Portuguese constitutional law. I do not think it possible for its abolishment or banishment to be undertaken before the constitutional revision.

A Wish That Could Be Pious

From now until the constitutional revision, I can only make a wish that the readers might interpret as being more or less pious: namely, that the relations between two organs of sovereignty, or better yet, three (the Assembly

of the Republic, the government and the Council of the Revolution), may be governed by constructive, patriotic and democratic principles.

You can understand my refraining from commenting on the individual political plans of any member of the Council of the Revolution; it is my duty to consider the organ as a whole, and to make this wish, which I believe will, in fact, conform to what will happen.

P.L.: Do you think that the AD government or parliamentary majority will keep its electoral promise to pass a law and a framework for the referendum? What scenario could turn up at that point?

A.C.: It is my opinion that there have been too many histrionics and nervousness, particularly among the opposition parties, regarding the proposed law and framework for the referendum, which is a fundamental legal instrument enabling the country to participate directly in the leadership of its collective existence, in matters vital to the Portuguese nation.

With Regard to a Referendum, I Do Not Think That the PS Wants to Be Reconciled with the AD

P.L.: But the opposition parties feel that a law and framework for the referendum would be unconstitutional.

A.C.: There are articles in the Constitution which call for the citizens' direct participation in the administration and in collective existence; and there is no article banning the referendum or the existence of laws and framework determining the legal system wherein it is possible and the way in which it must be carried out.

What could be considered contrary to the letter of the Constitution is the use of the referendum as a mechanism for exceeding the official and material bounds of the constitutional revision.

P.L.: But if it is not for that purpose, why would the AD want the law and framework for the referendum?

A.C.: It might be desired on account of many problems which could arise, relating to the morale and consciousness of the citizens, and critical strategic options, such as the nuclear issue, or others.

Returning to the potential contradiction between the letter and spirit of the Constitution regarding the referendum as a means of exceeding the official and material bounds of the revision, this poses a problem of the order of priority of legal norms (if I, as a civil engineer, may be allowed to use the expression). I believe that the sovereignty lies with the people, and that democracy is more important than the Constitution. If the majority of the people want to change the Constitution, and if they say

so in an unequivocally correct manner, I ask what there is immoral or undemocratic about this? I do not think that there is any contradiction there.

P.L.: But it is there that the problem of the scenarios crops up.

A.C.: It is. Obviously, the use of the referendum as a means of constitutional revision could evoke a claim of unconstitutionality on the part of the Council of the Revolution. If that should occur, the situation would be insurmountable.

P.L.: The Council of the Revolution would return the law to the Assembly of the Republic, and demand two thirds....

A.C.: .... Which would not occur, because the PS [Socialist Party] would never be willing.

P.L.: Unless the PSD [Social Democratic Party] or AD succeed in negotiating that majority with the PS....

A.C.: That might be a pious wish. In this regard, I do not think that the PS would ever want to become reconciled with the Democratic Alliance.

P.L.: I would remind the minister that you have just mentioned a pious wish, but a short time ago you made one regarding the Council of the Revolution. Could we add them together, since we are at a time when the year is beginning and there are good wishes?

A.C.: We could. But in politics, when one loses the sense of mercy, one loses the sense of tolerance.

P.L.: Is there mercy toward the politicomilitary organs and no mercy for the political parties?

A.C.: It is not a matter of judging the parties by their greater or lesser degree of patriotism, but on the basis of their concrete interests and prospects. The PS has an interest in defending this Constitution, insofar as it can give it a more favorable status. That is a political interest which has nothing to do with the greater or lesser constructive spirit of the PS in connection with anything whatsoever.

P.L.: Don't you imagine that the crisis that is currently under way within the PS could change this situation?

A.C.: Admitting a troubled relationship between organs of sovereignty is not the same as admitting a troubled relationship between parties. Insofar as the relations between organs of sovereignty is concerned, we have an obligation to make wishes, even if they are only pious. As for the relations pertaining to dialog or tension between parties with differing interests, making such wishes is only naivete.

The President's Speech Should Be Viewed by the Government as a Great Challenge

P.L.: The speech delivered by the president of the republic at the inauguration of this government received a great deal of comment from the public. In addition to the fact that, unlike what has happened up until now, the prime minister was the first to speak, and the president of the republic spoke afterwards, the president's address was absolutely contrary to that of the prime minister. I would like to know whether, as minister, you would care to comment on the speech, or whether there was any comment on it in the government.

A.C.: The speech given by the president of the republic lends itself to interpretations which do not coincide with those that could be made of the prime minister's speech.

Those differences become more evident when we underscore the optimistic and pessimistic notes which appear in the one speech and the other. The address given by the president of the republic expresses a lack of optimism regarding the past and the state in which we find ourselves at present. That of the prime minister is more realistic in my opinion, inasmuch as it attempts to regard the current issues and realities in a more balanced manner.

In politics, nothing happens by chance. The speech of the president of the republic has the virtue of being sincere. I think that it was meant to be an objective justification for the type of government marked by presidential initiative which he wanted to adopt previously.

P.L.: Might it not rather be a confession from one who, with displeasure, has to accept the formation of this government?

A.C.: Many people feared that the troubled relations between the prime minister and the president of the republic in Portugal existed through the fault of the prime minister; in other words, there were some who believed that, owing to the partisan positions assumed by Dr Sa Carneiro, he was probably the author of the initiatives which caused problems in the relations between the two organs of sovereignty, the government and the president of the republic. Strangely enough, the opposite held true.

The initiative for producing a demanding political declaration for the government, and creating a more restricted frame of reference for it, originated with the president of the republic himself. I suppose we must consider this matter optimistically. I shall not speak as Dr Mario Soares did once, on 25 April 1977; I shall not say, as he did: "If the shoe fits, wear it." But I think that the speech given by the president of the republic should be interpreted by the government in a responsible fashion; in other words, as a great challenge to its capacity for achievement.

P.L.: I would say that you are full of good will.

A.C.: I am full of realism.

Besides Being a Politician, I Could Only Be a Statesman

P.L.: People usually consider you, in addition to your qualities and the position that you hold in the leadership of the CDS [Social Democratic Center Party], one of the best, if not the most brilliant member of Parliament in the previous Assembly of the Republic. Now you are in the government, in a ministry which has been taken over by a civilian for the first time since 25 April. How do you regard this situation? Do you miss the parliamentary platform?

A.C.: It would be hypocritical of me to say that I am in this position against my will. It would be an untruth.

The image of a member of Parliament is identified by the public as that of a mere politician, that is, with a combination of three professions: actor, journalist and soccer player.

P.L.: I must ask you, since you have acknowledged qualities as an actor and a journalist, if you play soccer....

A.C.: I played rugby and soccer. A politician must be an actor, because he has to play a role which the voters assign to him; a journalist, because he must pick up the trends of public opinion and know the facts on which he has to act. But it is not sufficient for him to be analyzing facts or playing roles in a dilettante manner. He must serve the values and viewpoints of those who elected him; he must kick to the limit, and score goals. That is the image of the parliamentarian.

P.L.: Especially a good parliamentarian.

A.C.: Of course. But would it suffice for someone in public life to remain there? If he has the lofty ambition to go further, the only thing within his reach, besides being a politician, is being a statesman; in other words, an author in addition to an actor, an editor in addition to a journalist and a soccer coach in addition to a player. By this I mean to say that a statesman must know how to make his innovating impression, to shape opinion and have the capacity to guide people, and not just score a few goals individually.

P.L.: Do you consider your position in this Defense Ministry as a step in that direction?

A.C.: It is an attempt, on which I shall be judged by public opinion. But it may be asked: In a country such as Portugal, in 1980, with the constitutional system that we have, can a defense minister have such an ambition?

I would say that he can. But I feel a little like someone who has been told to make a statue without an exact determination of the material from which it must be made. They gave him a hoe and told him: "Now, dig. Whatever you find in the earth, clay, marble or granite, will be the material from which you must make a statue; and no one knows what it will be like, nor what material it will be made of. I am, of course, referring to what must be specific in the action of the defense minister at the present time. To be sure, there is another dimension, namely, that of the defense minister as a member of a Council of Ministers and of the government; and there are still other dimensions which must be considered.

P.L.: But are you optimistic?

A.C.: I am. If the Portuguese people and Portugal, and all those who have participated in this process, do not want to waste this year and a half until the approval of the law on the constitutional revision, there is much that must and can be done to prepare for democratic normality, which is primarily a civilian normality.

Within a Year and a Half, the Constitutional Revision May Be Completed

P.L.: Why a year and a half? Could the law on the constitutional revision be completed in a year?

A.C.: The Assembly of the Republic with powers for constitutional revision will be elected next fall, and I admit that it will take a few months to debate and deal thoroughly with the constitutional revision. It probably will not be ready to be published until the end of the first legislative session.

P.L.: Will the Assembly of the Republic remain in office, or will there be new elections?

A.C.: The Assembly of the Republic, with powers for constitutional revision, will remain in office for 4 years, regardless of the use of those powers.

The Ideal Candidate for President of the Republic Would Be a Military Man on Active Duty Willing to Go Into the Reserves

P.L.: The AD proposes to attain a parliamentary majority which it already has, to review the Constitution which it will do after the next elections, and to elect a president of the republic. In your opinion, should the AD candidate be a civilian or a member of the military? I would remind you that you have just commented that "democratic normality is primarily civilian." Does this apply to the type of candidate for the presidency of the republic?

A.C.: Theoretically, with regard to the candidate for the presidency of the republic, the choice between a civilian and a member of the military has no strategic value; it has tactical and instrumental value.

In the realm of the major options and major strategy, what is sought in a candidate for the presidency of the republic with a chance of being elected is that he be capable of performing his functions with patriotism, dignity and a democratic spirit, obviously with respect for the laws.

In view of the fact that such a candidate would have to be subordinate in the event of his election, there arises the tactical problem of whether he should be a civilian or a member of the military. We should not overlook the fact that, for a period of time, the president elected in December 1980 will be, simultaneously, president of the Council of the Revolution; and in that capacity he would naturally have a military role to play.

P.L.: But that would be only for a few months, assuming a rapidly approved law on revision....

A.C.: It is precisely one of the most critical periods, the very period preceding the transition of the Armed Forces from a position of relative autonomy which it has now to a position of subordination to the civilian authority. That period must be very carefully handled, and it must be managed with a steady hand and without mistakes. Otherwise, factors could be created for instability that cannot be imagined at present.

P.L.: Do you think that this could be done under better conditions by a member of the military than by a civilian?

A.C.: I think that, theoretically, and as a rule, a member of the military has better qualifications for doing this. If you will allow me to make a purely speculative description, I would say that the ideal would be a military man on active duty who was willing to go into the reserves or to a position whereby his military function would be suspended after the law on constitutional revision was published.

P.L.: What about someone who is already in the reserves?

A.C.: I am not thinking of anyone, any member of the military specifically. I even admit that the candidate could turn out to be a civilian, because, in my opinion, the problem of choosing between a civilian and a member of the military is not strategic in nature, but rather tactical.

I Am Not Aware of Attaching More Value to Tactical Matters Than to Strategic Ones

P.L.: With regard to you, the latest issue of EXPRESSO claims that one of your "faults" has been that you often attach more value to tactics than to strategy. Do you think that you run that risk in analyzing the matter of the president of the republic?

A.C.: I do not believe that this is the case. I am not aware (perhaps it is my fault) of attaching more value to tactical matters than to strategic

ones. That has not been the behavior of the CDS, a party which has been typified by a predominance of strategic factors over tactical factors. I consider myself to be reasonably identified with the historical profile of the CDS since its founding. And I do not think that this type of comment is entirely applicable to me.

You may notice that I have a certain dislike for speaking about myself in political matters, a dislike that borders on aversion. It is not that I pay no attention to what others say about me, but I try to do so by myelf, and I am not very fond of commenting in public.

I think that politics is sometimes distasteful on the human level, because it projects an image of inhumanity. I consider myself to be deeply human. When I was younger, I used to say that I did not have a political vocation, but rather a public vocation, because I felt that my internal proclivity was precisely not so much toward tactics as toward more deepseated plans for the transformation of society.

P.L.: Does this mean that you are shocked by the "fault" which EXPRESSO attributed to you?

A.C.: I was not shocked, simply because I give the benefit of the doubt and admit that this could, in fact, be my more visible and ostensible image from the standpoint of public opinion.

P.L.: I would like to wish you the greatest success in your position, which is certainly a hazardous one; and I hope that the optimism that you show at the beginning of the year and of your term in office will remain until the end, and that, a year from now, we shall be here ready to analyze the new electoral victory of the AD.

A.C.: Thank you, but although I am a naturally optimistic political animal, my optimism stems from an assessment that I deem objective of the political and historical conditions created in Portugal with the AD victory.

I would not be optimistic if I did not have the confidence that I have, both in my colleagues in the government and in its leaders, especially the prime minister, and in their capacity for steering the ship to a safe port.

There are, therefore, reasons which prompt me to think that we in Portugal have reached a situation wherein the Portuguese people themselves have given a public demonstration of their capacity, their civic spirit and, in particular, their great insight insofar as their own interests are concerned. Hence, it is from my natural belief in individuals and their capacity that my optimism stems, and my availability to political adversaries, either individuals or institutions,with whom there are tense relations.

I Am Not an Agnostic, Because I Do Not Thrive on Repugnance

A.C.: This is why, although I share my party's position with regard to not proposing that General Eanes run as a candidate for the presidency of the republic again, I believe in the honorable nature of individuals and in their democratic spirit; and, insofar as it is possible in these political areas, I believe in a relationship of coexistence that will make it possible for the plan that the Portuguese people chose on 2 December to become a reality

P.L.: As a politician who has an ambition to become a statesman, are you not therefore an agnostic?

A.C.: I am not an agnostic; I consider agnosticism a weakness, claiming an end of human existence that is at odds with the reason for that existence. I do not thrive on repugnance; if I were an agnostic, I would have to thrive on repugnance.

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GARRIGUES WALKER PROPOSES UCD BECOME MORE 'DEMOCRATIC'

Madrid ABC in Spanish 28 Dec 79 p 3

[Article by Joaquin Garrigues Walker: "Self-Criticism, Again"]

[Text] A few months ago, when I commented in these same pages that, in the Democratic Center Union [UCD] there was a lack of information between the various party echelons, and that an extensive internal debate was needed, some Centrists rent their garments. There were some who reacted with the familiar appeals for unity and discipline, appeals more appropriate for different times and different political organizations. Fortunately for the party, there were far more who gave their consent, orally or in writing, for that intensive debate on the most important issues in our public life and on the manner of leading the party. Since that time, several incidents have occurred, and many more are yet to occur along the path of constructing a great party.

There have been spokesmen (both inside and outside) who have stressed the urgent need for starting a debate that would clarify the different positions and attitudes which comprise the Center ideology. Some have suggested as a model the debate among the three sectors of the PSOE [Spanish Socialist Workers Party] on the occasion of its special congress. Others, on the other hand, feel that this debate was merely fictional, that no such debate actually occurred, and that the ideological confrontation which the UCD requires is far more deepseated and open than the one held by the Socialists.

My intention, when I have expressed views or written on this subject, has been and still is far more modest. Rather than an ideological confrontation among the various movements in the party, I think that our most immediate goal must be to democratize the decision-making in the party. I shall attempt to explain myself.

The Center parties do not require nor need an internal ideological confrontation, because the pluralist democracy has adopted the liberal ideology which suits all of them to a greater or lesser degree. Ideological confrontation is necessary only in the parties wherein movements advocating

types of society and government which are opposed to one another coexist. That was, and perhaps still is the situation in the PSOE, with the socialists, democrats and Marxists.

In a Center party, however, no one questions the type of society and government (at least, no one should do so). In other words, if anyone is a member of a Center party and has notions of conservative authoritarianism, he is in the wrong party. And if anyone does so in connection with the cause of collectivism, he is also on alien ground. A Center party must, like any other party, advocate very few things in an unequivocal fashion. Concretely a Center party must uphold and advocate a society wherein there is respect and a guarantee for human rights and individual and collective liberties, both political and economic.

Nevertheless, there is no doubt that a series of factors and circumstances surrounded the formation of the UCD which have lent it a very peculiar guise. There is no pejorative intent in my choice of words, because, like it or not, I am among the fathers of the offspring. It is a fact that a part of the electorate from the country's right wing took refuge in our party upon the failure of the other options that were theoretically possible. The right wing voting for UCD is, of course, the most democratic of right wings, because the others have found a haven in more radical and authoritarian options. In order to restore to its proper proportion the complacent smile of the members of the leftist parties at this admission of our electoral situation, we must make the comment here that we received votes from almost as many workers as voted for the PSOE and, of course, from far more than voted for the Communist Party.

We also received votes from large sectors which are closer in concepts and ideology to the collectivist type of society, and which were worried over the early socialist radicalism and over the verbal exaggeration of some of its leaders.

As I say, this very peculiar situation is related to the extraordinary circumstances which necessarily had to attend the termination of an authoritarian regime that had been in existence for 40 years. And the fact that the type of solution proved to be reform rather than rupture, as is being demonstrated in Portugal now, is not dissociated from this.

I can already hear the voices of those in the UCD who will react with rage to this public acknowledgment of our weak points. They are the ones who believe that the unity and the very existence of the party must be the result and consequence of reverent silence and discipline among the rank and file members. However, I would like to think that the party is not the individual possession of anyone in particular, but rather of all of us who make it possible every day.

This second self-critical account is by no means intended to be a weapon hurled at anyone with given names and surnames. Quite the contrary: it

is an appeal for the democratization of our organization on all echelons, so as to attempt to have better relations with an electorate as extensive and heterogeneous as ours. Otherwise, it would be difficult to transmit to Spanish society a type of action that we ourselves were not pursuing. I make these statements with the strong personal conviction that the problems of our party are public, because we represent nearly 7 million Spaniards. I speak unhesitatingly, because I do not think that anyone can have the privilege of not explaining his actions and omissions when he acts on behalf of the party; and I do not think that anyone has the definitive right (or could have the power) to silence those who disagree, nor to ignore those who, by their votes, have granted us the honor and responsiblity of governing.

In my opinion, our party needs information circulating freely and spontaneously on all echelons: between the government and the parliamentary group; between the main headquarters and the regional, provincial and local committees; and between the cadres and the rank and file. It must flow along all possible channels, including the news media. When the information is circulating without restrictions we can begin to debate many issues which are now being decided upon by the higher levels of the party and the government, without that essential, previous screening.

This will unquestionably demand an enormous effort from the party's leaders on all echelons. Some may ask whether we can afford this luxury at a time of such a deep crisis, when we have the responsibility for governing. Others may claim that the consequences of such a debate may be unpredictable. I have more confidence in our own potential. I am among those who think that, whatever the internal tensions may be, this effort will consolidate the one that we have made to arrive this far.

2909
CSO: 3110

DEFENSE MINISTRY TO PREPARE WHITE PAPER

Madrid EL PAIS in Spanish 6 Jan 80 p 11

[Article: "The 'White Paper' of the Ministry of Defense Will Be Completed This Year"]

[Text] There is a firm intention to publish a defense White Paper and very probably its drafting will be completed during 1980, according to statements by Agustin Rodriguez Sahagun, Spanish minister of defense, published in the supplement devoted yesterday by DIARIO 16 to the Military New Year. Similarly, the minister evidenced the intention to publicize the matter broadly to generate genuine collective conscience in the field of defense.

Part of the declarations of Rodriguez Sahagun is dedicated to the subject of NATO and to Spain's bilateral relations with other Western countries. Regarding the former the minister said: "It is not merely a question of proposing NATO yes or NATO no. The question is rather NATO yes under such conditions or NATO no with such consequences." He added that with respect to the above the answer would be found in the result of some "hypothetical negotiations with the [Atlantic] Alliance" in case Spain should decide that it wants to engage in them. As for the second question, Rodriguez Sahagun indicated that, independent of the discussion about whether Spain should join NATO or not, his country finds itself involved in the Western world "and for that reason the question of multilateral and bilateral agreements with its member-countries must be raised. To renounce such cooperation does not seem logical to me and would at any rate demand enormous economic effort for defense."

In the same supplement of DIARIO 16 the United States ambassador in Madrid, Terence Todman, published an article in which he defended the appropriateness of Spain's membership in NATO--"but the decision must be made by Spain exclusively," he added. As for the possibility of greater cooperation of European nations in the field of defense he noted the following: "Political, economic, and military realities at this time are running counter to the development of a possible European defense community."

On their part the topmost leaders of the parliamentary opposition parties agree in noting that the hypothesis of a military coup d'etat has been used in partisan manner. "Too often what you qualify as the fantasy of coups d'etat has been abused in Spain," Felipe Gonzalez replied to a newsman while Santiago Carrillo said: "Speculation concerning the threat of a coup d'etat can serve and is serving to make the citizens of this country voluntarily limit their political options, and democracy at times gives the sensation of finding itself in a regime of guarded freedom."

VAT EFFECTS ON EEC ACCESSION, ECONOMY STUDIED

Madrid ACTUALIDAD ECONOMICA in Spanish 15-21 Dec 79 p 29

[Article by E. C.: "The VAT Battle"]

[Text] The inauguration of the Value Added Tax (VAT) in Spain has been a subject of controversy at the most recent negotiation meeting between Spain and the European Economic Community (EEC). While EEC believes the tax should begin as of the time the Accession Treaty is signed, Spain believes that a longer period of transition is necessary, since inaugurating the VAT assumes a total reform of Spanish indirect taxation and since its effect can be negative on many sectors.

Since the creation of the EEC, the member nations have planned to harmonize their systems of taxation. So far their efforts have centered on reforming indirect taxes. But in Spain, reform has been completed with regard to direct taxes and is still pending for indirect taxes. The present system of indirect taxes which includes special taxes, inheritance taxes, general business taxes and taxes on fiscal monopolies, according to the experts, is a source of disorder and confusion for the entire productive sector.

Spain's reform of indirect taxation would involve the adoption of a heavy Value Added Tax as a taxation category to include the present luxury tax, part of the present tax on inheritances and certain special taxes. The experts believe that it should be made effective between 1 January 1983 and 1 January 1984, although of course nothing can be finalized until the negotiation process is completed.

What Is At Stake

EEC requires adoption of the VAT at the time of accession, because it considers the many Spanish taxes in effect at this time to be a covert form of export subsidies. Also, the VAT is a source of funds for the EEC budget, since 0.76 percent of an agreed-on ratio of the VAT will go to EEC's treasury.

The main Spanish argument for delaying the application of the new tax is the inflationary effect. It has been proved that imposing the VAT adds 2 or 3 points to the rate of inflation, because on the one hand each sector's tax load changes at the time of imposition and on the other hand because there is a psychological factor whereby many people in business consider imposition of a new tax is a good reason to raise their prices.

But one thing is clear: the VAT will mean more fiscal pressure to consume rather than save. Also it could promote investment, because now investment is taxed doubly: at the moment of acquisition and through the financial procedure of amortization. The VAT, which is entirely deductible, will avoid the burden which falls on investment goods when they are acquired. Regarding exports, at first its effect may be negative if it leads to increased prices of Spanish products.

Agriculture Harmed Most

Clearly agriculture will suffer most from inauguration of a VAT. For one thing, there will be problems in applying the tax and formal requirements involved which are hard for this sector to deal with. But mainly it will raise prices of agricultural products, since even though the rate of taxation will be 3 percent, fiscal pressure on the agrarian sector will be increased to double what it is now.

According to a study using input-output tables on the application of the VAT and its consequences, the least benefited sectors will be wood, shoes, synthetic fibers, chemicals, rubber, cement and transport. Most benefited will be textiles, primary food processing, housing and public works, the energy sector and in general all sectors requiring large investment, for the reasons noted above. International transport will be taxed in Spain but not in the other EEC nations. Small and medium-sized businesses will have problems with the accounting aspects, even if they can use the system of objective individualized estimation, but the VAT will have the positive effect of reducing the number of small retailers. Active credit operations will be subject to the tax. For businesses this aspect of the tax will have no meaning, because it is deductible, but for private parties it is a factor because the cost of credit will go up.

Experts in the field believe that because it has a clarifying function the VAT will have structurally a stabilizing effect, although on the short haul it could have an inflationary effect.

11,989
CSO:3110

CASA PROMOTES C-212 AIRPLANE IN LATIN AMERICA

Madrid ACTUALIDAD ECONOMICA in Spanish 12-18 Jan 80 pp 36, 37

[Article by Alberto Martinez: "Spanish Aircraft for Latin America"]

> [Text] One of the commercial executives of CASA, recently transferred to the American continent, remarked joyfully to ACTUALIDAD ECONOMICA that "1980 will be the year of CASA in Latin America." If things do not run into difficulties and the well-grounded expectations are merely confirmed, Spain's number one aircraft company might sell, in that market, some 50 aircraft -- 20 already certain -- for a value greater than 7 billion pesetas. This figure is three times larger than the volume of sales in any previous year.

The reason for this success must be sought in a very concrete fact: the recent promotional tour performed by the C-212 model all over the continent. The C-212, which departed Madrid on 19 September with a crew of two pilots, mechanics and Pablo Bergia, Juan Jose Burrif and Juan Alonso as commercial technicians, tackled a promotional tour lasting 3 months all over the American continent. After crossing the Atlantic by way of Glasgow, Iceland and Canada, the aircraft covered the continent from north to south, making demonstrations in the leading cities of South America. CASA estimates the cost of this promotion at almost half a million dollars, but the results are there, within reach.

Argentina

The country that may produce most gratification is the Argentine Republic, with some 14 aircraft. After receiving the highest marks from the Argentine Army, the Spanish company is waiting for next year's budgets to be approved, so that each service branch may know how many it can buy. The National Gendarmerie has already contracted for one aircraft this very year and it intends to sign a contract for the purchase of four more, one for each regiment. Including spare parts, each model of the ones selected by the Gendarmerie costs approximately $2 million and, in principle, it seems that the contract might be signed in April.

The most profitable part of the contract with Argentina might be the Naval Prefecture. It is interested primarily in acquiring five units equipped for coast watch. This entails equipping the aircraft with expensive, sophisticated electronic devices. Each C-212 of the ones for the Naval Prefecture might cost over $4 million. The Army is the service force that has shown most interest in the aircraft, but it is the one whose plans are least established. Some CASA technicians joyfully believe that they might sell 10 aircraft to the Army, but CASA is counting on only half, in order not to get its fingers burned.

The basic reason for CASA's optimism lies in the fact that, throughout the 1980's, the Army will have to replace the obsolete Twin-Otter aircraft, of Canadian origin, which has been performing services in the Argentine Army. In recent performance tests, the Spanish model received a higher mark than the Canadian aircraft, because, in spite of costing $200,000 more, its technology and operational capability make it profitable in the long run. Finally, a private aircraft company has signed an option to buy two more aircraft that will have to be delivered before December 1980. The company has deposited a $100,000-bond to ensure speedy delivery.

Technical Characteristics

The versatility of the aircraft and the excellent financing conditions offered by CASA through the Foreign Bank of Spain are the basic cause for the success of the C-212, of which 33 aircraft were sold during 1979. This, together with a modern technology, causes customers for the aircraft to be found in countries as different as Chile -- which already have 10 units in operation and is negotiating for five more, at present, for the Navy -- and the United States, which has 25 aircraft under firm contract through various private companies. In short, the characteristics of the C-212 are those of a turboprop airplane capable to taking off from and landing on "all-surface" runways only 400 meters long. Its two engines enable it to transport a load up to 2,250 kilograms or 26 percons, in an action radius of 3,600 kilometers, if the aircraft is equipped with auxiliary fuel tanks.

Andean Pact

The Andean Pact area has a minimum quota of 17 aircraft in CASA's commercial plans. Leadership is held by a Colombian company engaging in passenger and freight transportation in the interior of the country. SATENA [National Territorial Aerial Service] already has in its possession a copy of the draft contract drawn up by CASA. It is to be signed early this year. The transaction, amounting to not less than $11 million, will be for six or seven conventional and mixed passenger-freight aircraft.

Peru is the second largest customer among the Andean Pact countries. In this case, two private companies are interested in five aircraft similar to the Colombian airplanes. If everything turns out as anticipated, the contract is to be signed next summer.

Central America

Mexico, Costa Rica and Panama are the principal countries interested in the Spanish model. The negotiations that are farthest along are the ones with Costa Rica. SANSA [expansion unknown], a civil aviation company, already has a firm order for two C-212 models in its passenger version, and the Costa Rican Ministry of Interior is also interested in two aircraft. Finally, Panama is studying, through a private company, the acquistion of three more aircraft.

In view of what CASA men themselves have described as "excellent results," the company is ready to repeat the promotional tour during the spring of 1980.

CASA's technology is beginning to be recognized in Latin America. Proof of this is the fact that Argentina no longer is engaged merely in buying aircraft, but also recently accepted a bid by the Spanish company to modify and redesign the tail of a turboprop aircraft (Guarani) that is in service at present in the Argentine Army. At the same time, CASA is the company responsible for everything pertaining to maintenance of Argentine Army helicopters.

10,042
CSO: 3110

INDEPENDENT LABOR UNIONS REPORTEDLY DISUNITED

Madrid ACTUALIDAD ECONOMICA in Spanish 12-18 Jan 80 pp 12-14

[Article by J. A. Roca: "Birth of Unity"]

[Text] Abundance of abbreviations standing for unions, mistrust, excessive protagonism, disorganization and lack of means have been the most important features of Spanish independent labor unionism in its 3 years of existence. Nevertheless, the independent labor unions have progressed and are on the way to achieving the desired unity that will shape them as a real occupational alternative with respect to political labor unionism.

After two and half years of existence and after a logical weeding out of unions, independent labor unionism in Spain is facing 1980 with greater optimism, although, as its own leaders realize, "the problems that have hindered the unity needed for planning the occupational alternative representing the potential of the independent labor unions in the Spanish labor union spectrum are still present."

Excessive personalism, bad image -- strikebreaking -- abundance of abbreviations standing for unions, lack of means and executive personnel, disorganization are a very important obstacle. Nevertheless, and after the unsuccessful initial attempts that crystallized in the Workers General Democratic Confederation (independent) and in the Independent Workers Confederation, the appeal for unity has been taking on greater importance.

In fact, there is the so-called Independent Open Group, consisting of various independent federations and labor unions obviously established sectorally, like the Independent Federation of Credit Workers (FITC), the Federation of Department Store Labor Associations (FASGA), the Federation of Independent Teachers Unions, the Federation of Independent Business Workers (FETICO), the Free Medical Union (SML) and others that have recently been developing a policy of functional unity and that have 52,000 members and a total of 1,464 delegates spread about in every Spanish province. According to a GAI [Autonomous Interventionist Groups] spokesman, "the payment

of dues fluctuates between 70 and 95 percent and dues differ from one group to another. An average may be fixed at 150 pesetas," which is in line with the dues of the majority labor unions, CCOO [Workers Commissions] and UGT [General Union of Workers].

Handicaps

The shape of the Spanish labor union map, the political moment of transition to democracy, the policy of consensus are the main causes that have made development of an independent labor unionism difficult. Nevertheless, way has been opening up firmly in some sectors like education, banking, business, insurance and others.

The situation is not the same as it was 3 years ago. "From an absolute pluralism -- the ones who benefited most from the decree establishing freedom to unionize in Spain were the independent workers -- a beginning of clarification has been reached, when a series of unions that had no reason for existence were left by the wayside," Santiago Barriocanal, technical secretary of FITC stated to ACTUALIDAD ECONOMICA.

"But the truth is," Barriocanal added, "that it has been a labor union movement completely on the sidelines -- as a whole, without structural unity, independent labor unions obtained second place in the 1978 labor union elections -- in which a series of circumstances have come together to bring about its suffocation: a lack of means and of the strength needed for introducing its own theories, the handicap entailed by independence at all costs from political parties, which defend another kind of labor unionism, and a lack of news media.

Francisco Virseda, secretary of the Federation of Independent Teachers Unions, is much more optimistic. "A consolidation of the independent labor union movement at the branch level has occurred and, at the present time, a very important understanding is taking place between various federations and associations with a view to the unity that is desired so much, which we do not know whether or not will be possible in the near future, but which we want to achieve. If we go united in the next elections, we shall not be the second labor union force, but rather probably the first."

Independence and Mistrust

According to Francisco Rojas, relations secretary of the Federation of Department Store Labor Associations, "independence itself is making contacts difficult between federations in different sectors and it is bringing to the surface a series of mistrust between them, hindering attainment of the unity that we all want."

Nevertheless, responsibility for the present situation of independent labor unionism does not rest solely on the limitations themselves of the multiplicity of associations and federations of which it consists, but

there also are other outside factors, with very different interests. In this connection, M. Alberto Martinez Monge, member of the Union of Independent Local Administration Labor Unions [USIAL], complains of the poor treatment given in the mass media to the recent strikes by civil servants, in which "the independent labor union movement was definitely successful."

Andres Borderias, president of the Independent Union Confederation of Civil Servants [CSIF], goes much farther. "Aside from the internal problems of our organizations, much blame lies in the stand of the government and of the UCD [Democratic Center Union]. It is necessary to start from the fact that the government had to make a pact with the other political organizations within and outside of Parliament, in order to approve and develop the Constitution and to put the whole legislative process in motion, and socialists and communists took advantage of the policy of consensus to protect their respective labor union federations, UGT and CCOO. The government remained in favor of this policy and made a series of concessions of an economic type to these federations -- capital assets -- obstructing the promotion of independent labor unions in favor of a political labor unionism."

Barriocanal stated the following concerning the attitude of the government party: The UCD played the trick of capital, which took over labor union problems for its own advantage. But the fact is also that the government party has not treated the topic of labor unionism in Spain earnestly, subordinating it to overall political interests. It has moved in accordance with the situation of the moment. At one time, it was advantageous for it to establish Workers Commissions, and now the government is concerned with supporting UGT. Independent labor unions has been neglected in this hot-and-cold situation."

Strikebreakers?

In the opinion of Antonio Ucero, member of the Federation of Independent Business Workers, "without having a specified labor union policy, the UCD has been intervening in the development and consolidation of various groups located in the independent bundle. There have been relations with the Workers Trade Union and other confederations that have given rise to great confusion and that, in some way, are the basis for the strikebreaking designation applied to independent labor unionism."

Ucero added: "In addition to the difficulties created by the government party, the CEOE [Spanish Confederation of Business Organizations] has developed a labor union policy parallel to UCD's policy, potentiating Marxist labor federations also in accordance with the situation. It is curious that the bad image -- strikebreaking -- that the independent labor movement has is promoted precisely by the government and employers."

Elite Labor Unionism?

One of the most typical accusations against the independent labor union movement is its supposed elitist nature, what the Marxist labor federations describe as "soft-collar" labor unions.

"Although it is true," Martinez Monge points out, "that independent labor unionism finds a better reception among executive personnel, because they realize immediately the advantages of disassociation from politics and of the lack of strict ideological postulates that might mark their future labor union action, nevertheless, it must be pointed out that it is constantly finding better reception among lower-paid personnel."

In addition, the country's first two labor federations -- CCOO and UGT -- have been demonstrating recently a great concern for unionizing high and intermediate level executive personnel, because they are a basic factor in the operation of the entire administrative structure of the labor unions. Concretely, the UGT modified its statutes in its last congress, to refer to executives in the following terms: "Industry federations will set up within them stable structures for incorporating technicians and intermediate level executives. Their purpose will be a study and defense of the specific problems of these groups of workers."

More Expensive but Fewer Disputes

It has also been said that independent labor unionism gives rise to few disputes, as an offset in exchange for some high wage increases.

The independent labor union leaders interviewed by ACTUALIDAD ECONOMICA were unanimous in their reply: "Labor unionism cannot be invented and we welcome and advocate one side of labor unionism. Grievance demands are consubstantial with any kind of labor union movement, but the ways and means for obtaining them must be determined. The independent labor union movement seeks to protect at all costs the interests of the workers and it does not stop at demands of an economic nature. Strikes are an instrument in the service of the worker as long as he knows how to use them at the opportune time to protect specifically occupational objectives.

Barriocanal added that "the independent labor union movement has never abandoned the matter of demands, or strikes or any kind of collective dispute. The independent labor union movement seeks a reform of the enterprise at every level, but without destroying it, because it realizes that the enterprise is a way of life and a way of occupational development. What it intends is to offer the worker a series of services, of training at every level. This is the labor unionism that we defend, that exists and has to be established in Spain, because it is absolutely necessary."

And Ucero added: "Without abandoning its idea of a thorough change of society -- more humane and more just -- the independent labor union movement regards the worker individually, as an individual, keeping very much in mind his improvement, development and individual circumstances."

There are different opinions with regard to the accusation that it is an expensive labor union movement for the industrialist. In the opinion of Barriocanal, "in the long run, the kind of demands advocated by independent labor unionism will prove to cost the industrialist more, because they affect occupational matters directly and exclusively. The independent labor union movement has never abandoned the matter of labor union rights, but it can in no way subordinate occupational rights to labor union rights to the detriment of occupational rights."

Nevertheless, Borderias thinks that the independent labor union movement is cheaper in the long run: "It would be excessively shortsighted on the part of industrialists to think that independent labor unionism is more costly. It is indeed in the short term, but not in the long run, because the ultimate objective of the so-called class labor unions is to bring disaster to the enterprise, to socialize and nationalize it, and this really would cost industrialists dearly."

In short, the independent labor union movement offers itself as an occupational alternative to political labor unionism, putting dialog and negotiation before disputes and defending the workers' freedom and individual rights. The last labor union elections and the present situation make the independent labor union movement out to be a large potential labor union bloc. All it needs for becoming a reality is to overcome personalism and to put an end to the plethora of designations characteristic of it at present.

How Many Are There?

The independent labor union movement has been gradually making a breach, achieving acceptable degrees of establishment in some sectors. The workers are becoming more and more tired of the political labor unions and the rate of disillusionment is increasing at leaps and bounds, as is demonstrated by the decline in membership undergone by CCOO and UGT in the last 2 years.

In government, independent labor unionism is getting a strong foothold. In the local sphere, the USIAL has around 40,000 members of a total of 150,000 civil servants -- not counting municipal policemen of whom there are about 100,000 in all Spain -- and all the independent organizations together already represent 50 percent of the membership and around 75 percent of the votes.

According to what Andres Borderias states, in central administration, the CSIF already has in its ranks a group of 150,000 civil servants from every ministry, ten times more than the total for the rest of the federations. In the last elections for provincial councils of the MUFACE [expansion unknown], the independent unions had a total of 516 delegates. Next came CCOO and UCSTE [expansion unknown] with 33 and UGT with 24. In the MUFACE elections for departmental councils, the independents obtained 90 delegates; CCOO, 26, and UGT, 11.

With regard to the services sector, Barriocanal says that the independent labor unions have 52,000 members and a total of 1,200 representatives, without counting a series of federations, like FASE [expansion unknown], which has a majority representation in the electrical sector, and the medical unions that have practically 99 percent of the representatives in that branch. Likewise, the FITC has an 18-percent representation in banking, 35 percent in savings banks and 80 percent in credit cooperatives and the Stock Exchange.

"In the business sector," Ucero stated, "the two federations assembled in the GAI have a very large membership, immediately behind UGT."

These two federations have 15,000 members and 24 percent of the sector representatives. "Nevertheless," Ucero added, "we were unable to negotiate our collective agreement, because the employer associations were opposed, becoming our greatest enemy with regard to the development of independent labor unionism."

In turn, Francisco Virseda, of FSIE [Federation of Independent Teachers Unions (compare FESIE)], stated that the two federations of independent unions -- FSIE and FESITE [expansion unknown] -- in the education sector, have 18,000 members of a total of 80,000 workers, and they represent 75 percent of the sector.

10,042
CSO: 3110

USO NOT TO SIGN LABOR AGREEMENT

Madrid ABC in Spanish 9 Jan 80 p 11

[Article: "USO Decides Not To Sign the Framework-Agreement"]

[Text] The office of the Confederation Secretary of the USO [Workers Trade Union], in special session, decided last night to reject the interconfederation framework-agreement signed by the employers' CEOE [Spanish Confederation of Employers Organizations] and the labor federation, the UGT [General Union of Workers]. According to a communique released last night the reasons of the USO are the following:

1. The AMI [Interconfederation Framework-Agreement] represents the traditional policy of austerity which businessmen impose on workers in the existing crisis situation in terms of loss of the purchasing power of their wages, an increase in the unemployment level, and the renunciation of mobilization by the workers.

2. The AMI promotes the division of workers, which runs contrary to the united trade union action which has always characterized us in the USO and means in some form a choice of one of the two blocs into which attempts are being made to divide the workers' movement in Spain. This runs contrary to the autonomy which always typified our trade union, in contrast to the CCOO [Workers Commissions] and the UGT.

3. Agreements concerning productivity and absenteeism continue to be the tools of employers and they exact retribution in terms of wages per hour at the expense of the economic security of the workers.

4. The AMI is limited to setting apart the functions of the trade union sections and enterprise committees, finally endorsing the trade union model advocated by the UGT. This supposes equalization and even the superior placement of the enterprise committees themselves over the trade union sections at the expense, therefore, of the organs of unitary and democratic representation of workers with the clear purpose of conditioning and limiting the future legal development of labor relations.

Thus, the office of the Confederation Secretary of the USO, assuming the responsibility entrusted to it by the Second USO Congress, decides to recommend to the 14th Confederation Council that the USO should refuse to endorse the interconfederation framework-agreement.

2662
CSO: 3110

DECREASE IN EXPORTS REPORTED

Madrid ACTUALIDAD ECONOMICA in Spanish 15-21 Dec 79 p 5

[Text] The most evident feature of foreign trade during the past month was the sharp drop in exports and the consequent growth of the commercial deficit. In fact, the value of products exported reached only 77.345 billion pesetas, equivalent to $1.1713 billion, a figure which at best is the lowest for the 1979 year, and even significantly lower than the monthly average in 1978. However, it should be noted in September of 1978 the value of exports reached the lowest level for the year.

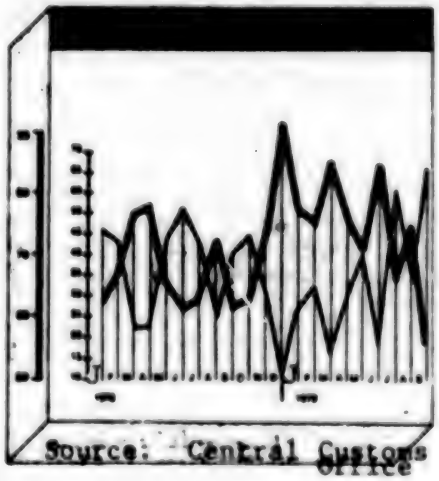
Since imports, with a value of 138,853 million pesetas, stayed above the monthly average for the year so far, the amount of deficit has shot upward, reaching 61.508 billion pesetas. This is the highest level reached in recent years.

The rate of coverage reached 57.7 percent, which is 6 percentage points lower than September 1978 and 18 points lower than August 1979.

FOREIGN TRADE

Heavy line:
Coverage rate in percent

Light line:
Monthly deficit in billions of pesetas



Source: Central Customs Office

SOVIET FISHERIES MINISTER INTERVIEWED ON RELATIONS WITH SPAIN

Madrid EL PAIS in Spanish 2 Jan 80 p 33

[Interview with Vladimir Mikhaylovich Kamentsev, Soviet minister of fish industry, by Ismael Lopez Munos; Moscow; date not given]

[Text] In the last few weeks we asked various government organs of the USSR for a series of interviews that would reflect the activities they had been engaged in during 1979 and the existing problems between Spain and the Soviet Union. The first response has been an interview with the Soviet minister of fish industry, Vladimir Mikhaylovich Kamentsev.

This was the first time that a Soviet minister had agreed to grant an exclusive interview to a Spanish newsman. Kamentsev's initial words were to express the fact that he felt a special sympathy for our country, which he had visited in 1965, and for Spaniards whom Kamentsev had met at international meetings involving his department. He told us that when he did his primary studies he met a Spanish boy, Ovidio Rodriguez Garcia, about whom he had retained the best memories even though he does not know where Rodriguez Garcia lives now. "He returned to Spain and I lost touch with him," Kamentsev explained.

Question: Mr Minister, what is your opinion of Spanish-Soviet fishing relations now?

Answer: Spanish and Soviet fishing boats have been working together for many years across the world, from the northwestern part of the Atlantic to the western region of Africa. This is a risky occupation and I believe that we are working in unity. We have demonstrated our readiness to assist one another in critical situations. Spanish fishermen deserve our great respect. The sailors of your country navigated all the way to the eastern coast of the United States in the 17th century in vessels that were not very sound. For that reason I recall with pleasure the speech of the Spanish representative when the Americans and Canadians mentioned the 12-mile [territorial seas] limit. The Spanish official replied: "If we speak of traditional rights the case is different. When we began to fish here, America had not yet been discovered."

I am proud that we initiated political relations with your country through economic relations by means of a Spanish-Soviet enterprise, SOVHISPAN, involving participation by Spain and our Ministry of Fishing Industry. SOVHISPAN--and this is not publicity but the truth--has in the past few years become a very serious collaborator which, despite initial reticences, now cooperates with other Spanish enterprises. Tabacos de Filipinas [Philippine Tobacco Company] and Vapores Suardiaz [Suardiaz Shipping Company] are those which primarily trusted this adventure. Hence the establishment of PESCONSA [Soviet-Spanish Joint Fisheries, Inc.] and SOVIEMEX to channel another series of economic relations connected with fishing.

At present in the USSR there are already 20 OKEAN frozen fish stores where it is possible to buy all types of fish supplied by SOVIEMEX in various republics and in three restaurants which are very popular. To sum up we shall say that through the intermediary of the Soviet Chamber of Commerce it is those Spanish enterprises which maintain a high technical level in this field that have participated. Operations with SOVHISPAN are effected on the basis of compensation, which suggests great mutual benefit for both countries.

International Fishing Cooperation

Question: How do you view the role of our countries in the developmemt of international fishing cooperation at the present stage?

Answer: The second half of the 1970's saw the start of a new stage of international fishing cooperation with the establishment by almost all states of the 200-mile [economic] zone. Spain and the Soviet Union have maintained parallel points of view at meetings of the United Nations regarding maritime rights for the purpose of exploiting ocean resources better. In this case your country's representative assumed a brilliant initiative in explaining the problems created by the 200-mile zone for countries which, like Spain, have a fishing tradition and a strong industry based on this activity, and asked that third countries be given the right to participate in the exploitation of the resources of the legal zones of others who do not even have the capacity to use these resources.

Question: According to reports published in Spain, the Soviet fleet does not limit its operations only to the goals that we could call "professional" but also fulfills what in journalistic terms could be characterized as "espionage activities." Especially, Soviet craft fishing in the Mediterranean and near the coast of West Africa are charged with maintaining constant surveillance of the navies of the Western countries thanks to powerful technical devices. What comment can you make on this "special" function of your fleet?

"Let Them Visit Our Vessels"

Answer: That is untrue. We do not have a role of this type nor are we going to have it. With respect to those reports we are witnesses to how news is falsified in the West, that it always ends up being denied by facts, but that

its purpose is to throw aspersions on our country and its foreign policy. "The facts" which are published not only in your country but also in others are worth less than the paper on which they are printed. For there to be no doubt whatever I invite all those Spanish newsmen who wish it to visit our fishing craft and to verify whether these carry special radar equipment or not. I pray you to take advantage of this opportunity. That is my only answer. It does not have to be any given craft. You can pick from among the entire fishing fleet and you can live with the sailors for days and freely investigate and "search" afterwards for the motive of the charges.

Question: What role does the Soviet fishing base installed in the Canary Islands play?

Answer: Forgive me, but I believe that the question is not well phrased because you have used the word "base." The geographic location of the Canary Islands makes them an important point for craft of the entire world. In Las Palmas and Santa Cruz de Tenerife Soviet fishermen and those of other nationalities can satisfy all their needs regarding water, fuel, foodstuffs, repairs, equipment, and even the relaxation necessary for our crewmen. For us SOVHISPAN undertakes all this. It maintains all types of relations and this gives jobs to many Spaniards who thus see the solution of one of the present problems of your country's economy--unemployment. But let it be very clear that the Canary Islands cannot be considered as a "base." The large majority of those who work are Spaniards and I assure you that the number of Soviet specialists there is minimal and, of course, indispensable as regards technical work connected with the fishing craft.

Agreement With Guinea

Question: The new government of Equatorial Guinea recently denounced its fishing agreement with the USSR. Furthermore, there is a tense situation between Spain and Morocco as regards fishing rights and territorial waters. What is your opinion and the possible connection between the two situations?

Answer: Our cooperation with Equatorial Guinea was of mutual benefit for both countries from an economic viewpoint and that of technical cooperation ranging from the supply of fish to the scientific research being undertaken there. I must say that it was cooperation that was more beneficial for Equatorial Guinea than for us. I find that now new technical and economic teams are studying the situation and it is not excluded that the earlier cooperation will continue. It is possible that this cooperation will be effected through our Spanish friends who will help to renew the agreement. The fishing problem between Spain and Morocco is a matter involving your two countries and I have no business whatever commenting on that situation.

Question: Finally, Mr Minister, what is your opinion on the prospects of cooperation between our countries in the field of fishing?

Answer: They are good and could be improved, especially in scientific-technical cooperation, and I hope that we shall exchange--for our mutual benefit--our experiences not only as regards our two countries but also for the benefit of other countries which have large ocean resources but lack sufficient experience to use them. Spain and the Soviet Union can carry out important exploration in the central and eastern zone of the Atlantic Ocean as well as in the waters of southern Africa.

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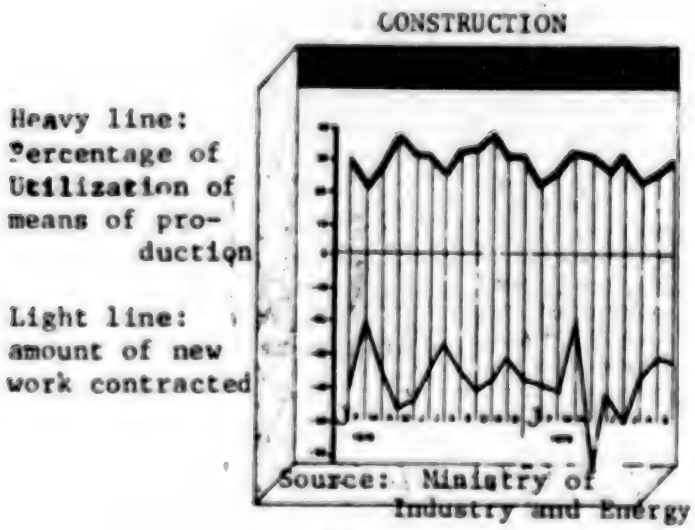
CONSTRUCTION INDUSTRY LEADING CAUSE OF UNEMPLOYMENT

Madrid ACTUALIDAD ECONOMICA in Spanish 15-21 Dec 79 p 5

[Text] Almost 20 percent of persons now unemployed belong to the construction sector, which will give some idea of the situation that sector is going through, in spite of the results of the last industrial analysis done by the Ministry of Industry and Energy, which seem to indicate a larger utilization of the means of production.

In fact, during September 1979 the utilization level was at 29 percent, in contrast to 25 percent the month before. This is an improvement of 4 percent and represents a return to the figure for June, before the difficulties encountered in July and August.

In spite of this, the percentage of utilization of the means of production is lower than September 1978's 34 percent, and lower than the average level of months during 1978, which however was already low, since as is known the crisis of this sector began several years ago. So there is an interest in observing if the gain for September 1979 will be sustained in subsequent months, which could indicate that the downward trend has been contained.



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BOURGEOIS COALITION TO CONTINUE REGARDLESS OF REFERENDUM OUTCOME

Stockholm DAGENS NYHETER in Swedish 16 Jan 80 p 6

[Article by Ake Ekdahl and Dick Ljungberg: "Government To Stay (Even if Falldin is Forced to Start 4 Reactors)"]

> [Text] The three bourgeois parties have agreed to keep the government together regardless of the outcome of the referendum on nuclear power. A Yes to 12 reactors will carry with it great political problems, while a No will acutely strain the solidarity of the government.

This assessment was made by about a dozen Riksdag politicians DAGENS NYHETER spoke with before the Wednesday Riksdag decision on the referendum.

Representatives of the Social Democrats, the VPK [Communist], and the LO [National Federation of Trade Unions] readily speak of a government crisis and a new election next fall after the referendum. The spokesmen for the three bourgeois parties declared, however, that the government parties have entered into a close to formal agreement to save the government in any situation, referring to the promise of all party leaders to obey the outcome of the referendum.

Tough Match

Premier Thorbjorn Falldin has repeatedly declared that he intends to stay on as premier even if the referendum gives the green light for 12 nuclear power reactors.

In that case, Falldin must accept the permission to start operations for Forsmark 1 and Ringhals 3, following the temporary delay decided upon after Harrisburg. Thereupon the government must make a decision on permission to start operation, now in abeyance, for the next two reactors, Forsmark 2 and Ringhals 4. At the same time, the government is to write its new energy proposal as soon as possible after the referendum. This will be based upon the proposal presented by the People's Party government in consultation with the Social Democrats and the Moderates last year.

The big question mark will then be whether the center movement can swallow four quick permissions to operate without internal convulsions and demands for the center leaving the government. This will be a tough match for Falldin.

Dissension

If the 12-reactor alternative wins there remains the problem resolving the difference between Line 1 (without socialism) and Line 2 (with demand for state ownership.) The practical difference between the two alternatives is state majority in the Oskarshamn works and a ban on direct electric heating.

Regardless of the outcome of the referendum there is a majority in the Riksdag of the Social Democrats, the People's Party, and the VPK for the demand for Line 2 for public ownership and ban on electric heating. The VPK has declared itself ready to support such a development if the people say yes to 12 reactors. This can create dissension among the three government parties since the Moderates most of all oppose public ownership and the ban on electric heating.

The Social Democrats do not see public ownership and the ban on electric heating as immediate demands and do not take up the demand via motions during the time for motions [in the Riksdag] but await the governments energy proposal.

However, demands in this direction will nevertheless come up in the Riksdag as early as this spring via motions from the VPK. The Social Democrats and the People's Party may end up in the piquant situation of having to reject demands they themselves advanced for the referendum. In the opinion of the People's Party, however, the public ownership item on the referendum ticket involves no interference in ownership conditions carrying with it large public costs.

There are in the Riksdag clear signs of pessimism in the Center Party and the VPK. In the opinion of many the referendum will be a purely partisan affair and therein the three parties that are behind the 12-reactor program would gain a clear victory. A Center Party member speaks of 35 percent for the so-called no side as a very successful referendum result. In the opinion of the VPK, if the people say no in the referendum, the prospects for a quick collapse of the bourgeois government increase.

The crucial point of difference between the Moderates and the People's Party on the one hand and the Center party on the other is in the amount of interference in society needed if nuclear power is to be wound up within 10 years.

One of the great differences is in that of the energy supply. The People's Party thinks coal should play a larger role. The Center Party, on the

other hand, holds that domestic fuels and conservation can fill the gap after nuclear power.

The Center Party is of the opinion that the Swedish people would experience no great difference in daily life if nuclear power is abolished. This the People's Party and the Moderates do not believe for a moment.

Coalition Government

The People's Party holds that stresses in society can become so great that the country will need a coalition government. This thought is decisively rejected by the Social Democrats.

A leading Riksdag member (socialist) said that "If the answer is no, the Center Party should be left to govern the country and take the responsibility for at least a year. Then the consequences of a fateful dicision will be seen."

Militant voices are found in the People's Party as well, who think the Center Party should be left to govern the country alone in the event of a No victory.

The People's Party's final attitude to the government question is the great question mark in the equation. The Center Party and the Moderates do not wish the government cooperation upset, regardless of the result of the referendum. The Center Party must govern itself out of its election defeat, and the Moderates will at no price let the Social Democrats into the government. How toughly the People's Party will behave will depend upon opinion polls taken among the voters this winter and spring. The parties in the middle take the biggest risks in this affair. It is assumed that the Moderates and the VPK will strengthen their positions, and the Social Democrats will in any case maintain theirs.

11,256
CSO: 3109

THIRD REFERENDUM ALTERNATIVE LACKING IN CREDIBILITY

Stockholm DAGENS NYHETER in Swedish 17 Jan 80 p 6

[Commentary by Sven Svensson: "Nobody Knows How Nuclear Power is To Be Wound Up"]

[Text] Finally, after endless trouble, the Riksdag has decided to leave energy policy to the people.

What does the referendum mean to nuclear power over the short range?

The actuality today is that six nuclear plants are ticking away, that another four are only waiting to be started up, and that two more are being built to be started up toward the end of the 1980's.

What the voters have to take positions on over the short range is simply this:

Shall the four reactors that are ready to go be started up or shall they not?

During the last election campaign Falldin said that the people should not take a position on the safety of nuclear reactors. The referendum has been so formulated that this is precisely what will happen.

If a majority of the people votes for Lines 1 and 2, the four completed nuclear powerplants will be put into operation, if a majority votes for Line 3, they will not be started up, at least not before a new election or another referendum. As concerns the starting up of the four nuclear power plants, the politicians will be unable to manipulate the voters. Compromises are out of the question. If the so-called yes side wins the referendum and Falldin delays a decision to start the four, it will lead to a rupture in the government.

In anticipation of the referendum the People's Party government during its time in office approved the starting up of two nuclear power plants. The start-up will take place automatically after the referendum. At the same time, however, the referendum involves the people having regarded safety

requirements as being met. Therefore, the two other completed nuclear power plants must also be started up. Nor can Bohman avoid this responsibility, no matter how much he wishes to head the government.

The political effects of a victory for Line 3 are uncertain, even though the parties have said they would respect the result of the referendum. It is clear that such an outcome of the referendum will lead to the four complete nuclear powerplants not being put into operation in the foreseeable future.

Concerning the winding up of nuclear power, disagreement among the parties is very great. In the opinion of the Center Party that a windup will have no economic consequences and that employment would rather increase. The other bourgeois parties and the Social Democrats think the economic consequences would be very great and the problems difficult of solution.

The problems of [income] distribution, industrial policy, and regional policy effects of a "no" to nuclear power will be great, surely greater than the ongoing abandonment of the Swedish shipyards.

It is therefore close at hand to assume that a victory for Line 3, the forms of abandoning nuclear power, despite what the politicians say about respecting the outcome of the referendum, will have to be decided in a general election.

This test of strength can take place either in a new election or in the next regular election in 1982. The political grouping that obtains the majority in the next election must then state how abandonment of nuclear power is to take place against the background of the then obtaining majority conditions in the Riksdag. The weakness of the no line lies in that it lacks political credibility as concerns implementation of the outcome of the referendum.

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CSO: 3109

FALLDIN COALITION SEEN AS LIMITED IF CENTER LOSES REFERENDUM

Stockholm DAGENS NYHETER in Swedish 19 Jan 80 p 10

[Commentary by Sven Svensson: "A Grotesque Referendum With Accusations of Deceit"]

[Text] After the 1976 election it would have been possible to stop nuclear power at ten nuclear powerplants and decide upon abandonment of the Swedish nuclear power industry. It would also have been possible to let the people in a referendum take a position on whether more than ten nuclear powerplants were to be built.

Instead, the energy question during the first Falldin government developed into a pure farce. The Center Party members of the government dared not speak with Falldin about nuclear power, and the other party leaders held back as long as they could.

Gradually, the three bourgeois party leaders agreed on a compromise: the two new nuclear powerplants would be started up.

Falldin sweated blood on TV; Bogman said he regarded the safety problems as 99 percent solved. Some trick boreholes were arranged for, so that it could be said that the safety problems were solved.

In the mass media Falldin was pointed to as the loser. The day following the party leader agreement Falldin began to waver, after a couple of days, new conditions were added for the Center to stand by the agreement. It was logical that the Falldin government collapsed, for the alternative was rupture of the Center Party.

Everybody Accuses Everybody Else

Then the reactor accident at Harrisburg took place. Palme made his about-face on "mad Wednesday" and promised a referendum to enable him to win the election.

Now we are faced with a grotesque referendum, in which all involved will accuse everybody else of deceit.

Many signs indicate that the referendum increasingly assumes similarities to a general election. The longer the referendum campaign lasts the greater becomes party loyalty. The greatest difference is that the referendum does not appoint Riksdag members to carry out the will of the people.

The referendum according to the various options can, as the questions are asked, never become a pertinent taking of positions on nuclear power, and even less to energy policy as a whole. Voting will be a political act, with the voter acting according to his political conviction.

Uncertain Consequences

The worst of it is that it is impossible with any precision to foresee the consequences of the peculiar and expensive flummery the referendum is.

At the present time it seems certain that Lines 1 and 2 will get a safe majority. Over the short range this will mean starting up the four completed reactors. Then one will be, so to speak, back to the starting point when Falldin formed his first government in 1976.

Over the longer range, the effects of the referendum are more uncertain, but plans can be overturned by developments after a new general election.

Falldin's idea is to stay on as premier even though he lost the election and subsequently the referendum.

This is a very peculiar idea since Falldin has made the starting up of new nuclear powerplants into a moral question. The people cannot give carte blanche in a moral question.

Hurt Prestige

It was easy to predict that the first Falldin government would collappse on the question of nuclear power.

It is more difficult to predict what will happen to the second Falldin government if Lines 1 and 2 prevail in the referendum and Falldin loses.

It is most likely that it will hurt the prestige of the entire government, but above all that of the Center Party, and in all probability party leader Falldin's own moral and political prestige. All this loss of prestige is unfortunate in a situation where the Swedish economy needs strong measures and national resolution.

A loss for Falldin in the referendum can reasonably be expected to have effects in party sympathy pols during the rest of 1980. Much speaks for a socialist increase and lower opinion figures for the Center Party, but perhaps for the People's Party as well. Only the Moderates and the VPK can benefit from the referendum, no matter the outcome.

A decline for the middle parties and an increase for the Moderates would cause great stress within the bourgeois three-party government. In addition, Palme would be forced to take political action against Falldin. Bohman still holds a leading position in the government. The Moderates' position would be strengthened apace with the drop in Falldin's moral prestige. The mood in the Center Party will be nervous after a loss in the referendum because the risk of election losses to both the VPK and the Moderates is great. To start up four new nuclear powerplants, even if the people said yes, should in fact be out of the question after morally elevated promises Falldin has given in this matter.

The final conclusion is therefore: If the opinion poll figures for the Center Party fall after a referendum loss, the second Falldin three-party government is sooner or later finished.

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FOREST, STEEL INDUSTRIES SEEM HEADED FOR SLUMP

Stockholm SVENSKA DAGBLADET in Swedish 10 Jan 80 p 23

[Article by Monica Eklof: "Top Reached for Forest Industry ... and for Steel"]

[Text] The forest industry is now slowly sliding into weakening conditions. The top seems to have been reached. But nobody dares say how long the beginning slump could last.

The Swedish forest industry is now conspicuously cautious about making economic prognoses. Perhaps more than any other industry the forestry people misjudged the economic conditions of the 1970's. The strong piling up of stocks was undertaken for the purpose of surviving a breif slump. But the surplus stocks had to be sold during a long slump, a particularly costly missed prognosis.

Managing Director Bo Wergens of the Cellulose and Paper Association predicts a slump that can severely affect the Swedish forest industry during the second half of the year. He ventures no further forecast. World political controversies a la Iran and Afghanistan can also produce consequences not easily predictable.

The forest industry has thus far enjoyed better market conditions than the rest of the economy. For example, paper consumption in our Western European customer countries rose last year by all of 5 percent. Despite the economic slump of recent quarters in the United States, paper consumption has not decreased. Bo Wergens estimates, however, that consumption growth in Western Europe will go down and that North American producers may become more aggressive in the Western European market. But how strong these negative factors may become he dares not try to assess. And the consumption of pulp and paper will continue to increase, though at a slower pace.

The Economic Institute speaks in its December barometer of a drop in export order expections for the paper manufactures during the first quarter. But these were helped in 1979 by an accumulation of stocks in the purchasing countries. The economic barometer also mentions production reductions in

the pulp industry, but these are due more to lack of raw material than to lack of demand.

And Bo Wergens still described the market for pulp and paper as firm. The increase in price during the first quarter for bleached sulphate pulp to $500 per ton has been fully accepted by the buyers.

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